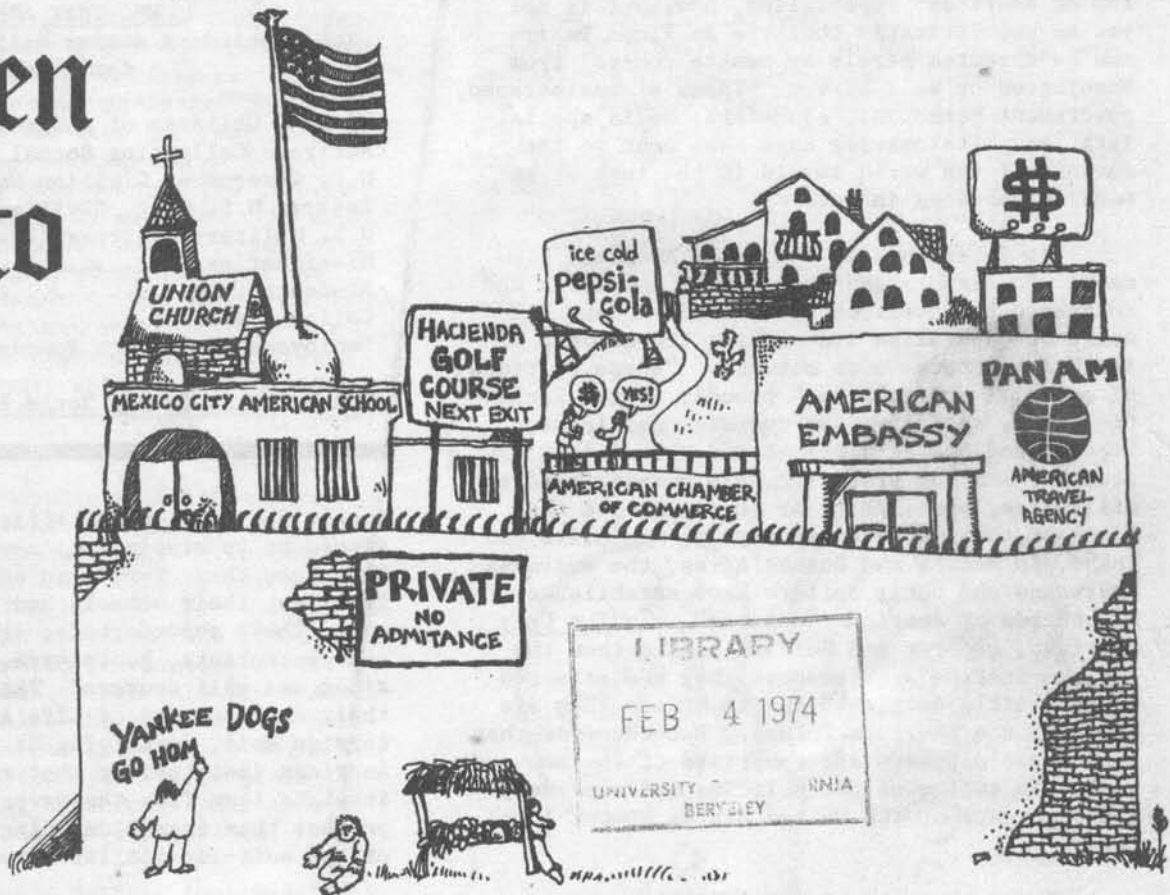


Vol. VIII No. 1, January 1974

# NACLA'S LATIN AMERICA & EMPIRE REPORT

## Golden Ghetto



## The American Colony In Mexico

By Peter Baird and Ed McCaughan

In this issue we are publishing the first of a series of articles written in conjunction with the Yanqui Dollar Project. The subject of American residential colonies abroad is particularly important because they can have a profound impact on the host countries. Moreover, these colonies have provided an excuse for overt U.S. military interventions. In 1965, for example, a main excuse for the U.S. invasion of the Dominican Republic was "to protect American lives and property." The increasingly frequent attacks against the American colonies in recent years (kidnappings, etc.) have also made them more visible at home. Finally, these colonies are growing, as droves of American pensioners "retire" to Central American and other countries.

We feel this is an important study, not only for what it shows about the Mexican case, but also because it is (to our knowledge) the first of its kind and thus can serve as a model for similar studies in other countries. In future issues of the *NACLA Report*, as well as in a separate monograph series, we hope to publish other studies in cooperation with or as part of the Yanqui Dollar Project.

ALSO INSIDE: TERROR SCHOOL &amp; ARMS SALES

\$1

# Introduction

The successful expansion of U.S. private enterprise and the capitalist system throughout the world has made necessary certain controls over foreign nations. The United States does not always have to occupy a country with tanks and armies in order to assure its subordination. Economic controls, political influence, advertising, and the mass media in general have facilitated the process of domination. The system of American<sup>1</sup> imperialism, however, is not yet so sophisticated that the American Empire can be directed merely by remote control from Washington or Wall Street. Teams of businessmen, government personnel, educators, media specialists, and missionaries have been sent to far corners of the world to aid in the task of expanding American influence.

As determined as the early American pioneers who dispossessed the Native Americans and conquered the American West, these modern pioneers of capitalism are pushing the borders of the United States ever outward. "Borne by tides of goodwill and dollars," proudly writes Harlan Cleveland, apologist for overseas Americans, "the United States diplomat and technician, the preacher and the professor, are working hard to militarize, proselytize or to reorganize the lives of their foreign cousins."<sup>2</sup> In Cairo and Tokyo, in Manila and Buenos Aires, the overseas Americans and their dollars have established beachheads of American "culture". In *The Ugly American*, Lederer and Burdick called them the "Golden Ghettos". Elsewhere they are referred to as "Little Americas" and in Mexico they are known as the American Colony. But wherever they are, these outposts are comprised of the men and women who implement the policies and represent the interests of the United States at the local level.

Today there are nearly a million American civilians who permanently reside in foreign countries. Added to these are a million enlisted men and another half million of their dependents. The 1971 figures listed below represent a 16% increase since 1968, and are 79% greater than the 1960 figures. Certainly this is an element of the Third World's "population explosion" which is unfamiliar to most of us.

When Americans travel in other countries they carry America with them. Their baggage consists of American travelers' checks, cameras, clothes and preconceived notions about foreign peoples. And when Americans go to live permanently in a foreign country--to work in corpora-

## WHERE THEY LIVE (major countries)

Canada.....	231,000	France.....	20,300
Mexico.....	86,000	Israel.....	20,200
Germany.....	53,900	Spain.....	20,100
United Kingdom..	40,900	Switzerland..	20,100
Panama.....	40,000	Bahamas.....	20,000
Australia.....	23,900	Japan.....	17,900
Philippines.....	23,600	Brazil.....	17,600
Greece.....	20,800	Venezuela....	16,100

## WHO THEY ARE

(not including active military personnel & families)

Businessmen.....	100,000
Wives & Children of Businessmen.....	280,000
Retirees Collecting Social Security...	78,600
U.S. Government Civilian Employees....	37,000
Retired U.S. Govt. Civilian Employees.	12,600
U.S. Military Retirees.....	26,000
Missionaries.....	42,000
Students.....	40,000
College Teachers.....	5,000
Employees of Private Foundations.....	3,000

Source: U.S. News & World Report, Feb. 1, 1971

tions, U.S. government offices, and church missions, or to simply retire--they take much more. They take their furniture and appliances, their families, their schools and hospitals and churches, their supermarkets, drycleaners, carwashes, and restaurants, bookstores, newspapers, magazines and golf courses. They take, above all, their American Way of Life and implant it on foreign soil, fortifying it with a network of American institutions that maximize their power, insulate them from the poverty they create, and protect them from kidnappings and other forms of the anti-imperialist struggle.

## THE MEXICAN CASE

Aside from Canada, Mexico has the largest collection of North Americans of any country outside the United States. Most of them are directly involved in business, and an estimated 60,000 reside in Mexico City. The official Mexican Census of 1970 gives 97,246 as the number of Americans living in the entire Republic with large settlements in Tamaulipas (17,000), Nuevo Leon (9,000), Jalisco (7,312), and Guanajuato (3,000). The term "colony" is used to designate the American residents, to distinguish them from students and tourists. The American Colony is the name they have created for themselves in Mexico.

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Mexico City's largest avenue, El Paseo de la Reforma, begins downtown, bordered on each side by tourist hotels, banks, and the high-rise office buildings that are the nerve center for multinational corporations. Reforma passes the great marble monument of the U.S. Embassy and the venerable old University Club, meeting place for the Colony's business elite.

After passing the Monumento de Petroleo, a national tribute to the 1938 nationalization of the foreign owned oil industry, Avenida Reforma leads into the most wealthy and prestigious colonia in all of Mexico, Lomas de Chapultepec. This is the home of many wealthy American executives and site of the U.S. Embassy residence. Mexicans often remark that it is ironic that such a colony should sit atop Reforma, looking out across Revolution (another large Avenue in Mexico City). In this suburb, the Reforma slows its pace, bordered by mansions that make passers-by stop and stare. Behind stone gates and surrounded by manicured gardens are the fortress-like homes built in the French-colonial style of the Porfirio Diaz era. Outside one gate a doorman guards several chauffeur-driven Fords and Mercedes Benz, while inside half-a-dozen servants await the orders of their master or mistress.

The hills of Chapultepec Heights were once part of a vast Mexican hacienda. In 1922, a group of American businessmen who formed the Mexican International Trust Company purchased 3,000 acres for \$11.2 million.<sup>4</sup> Since 1936, the value of this land has increased 180 times, making it the most expensive residential district in the Mexican Republic.<sup>5</sup> Not only North Americans live here, but also the most wealthy Mexicans and members of other foreign elites. Nevertheless, an American atmosphere prevails, with American schools, churches, synagogues, riding stables, and elegant restaurants.

It is perhaps only natural that Americans should want to carry their American world with them when they go abroad, just as immigrants to the United States have wanted to retain their own language and traditions. The important difference is that the Americans in Mexico and elsewhere have not only been able to bring their own institutions with them, but they have used them as tools of American influence abroad. An American Colony in Venezuela was described as:

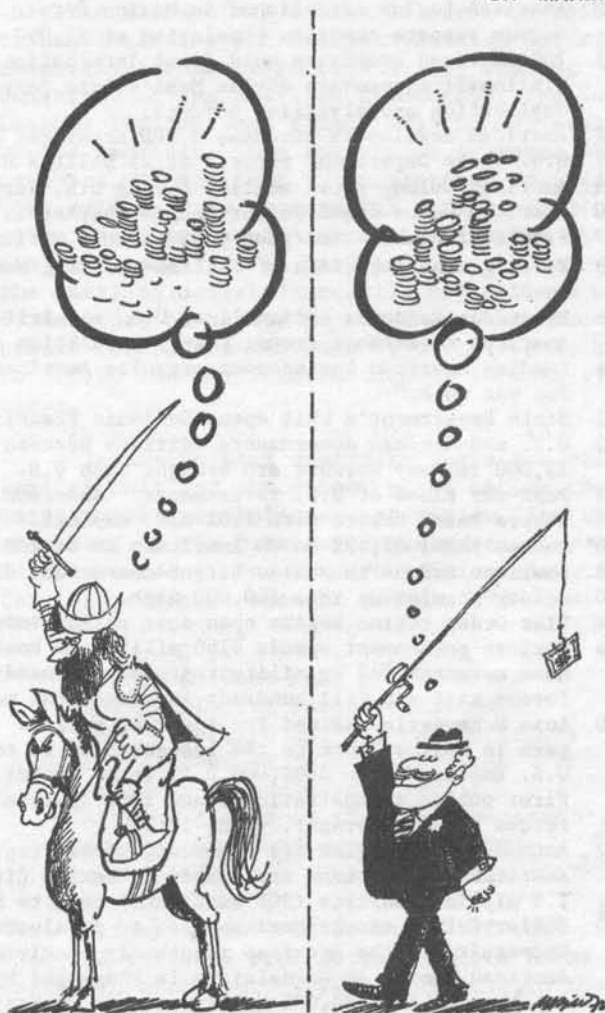
a concentration of several thousand high-powered individuals--well-trained, self-confident, affluent, representing a major world power, securely linked to organizations of the first rank, facing specific threats and challenges, and thoroughly convinced that the best service they can do the host country is to effect a rapid transfer there of home institutions.<sup>7</sup>

The American Colony in Mexico City is made up of a number of such "home institutions" which have carried their influence far beyond the Colony. Business organizations, schools, churches, newspapers, social clubs and charity groups have been established by Americans, not simply for their own communities, but as "showcases" of modern American society in a developing nation like Mexico.

We have chosen to focus on five of the more important "home institutions": the American Society, the American School Foundation, The News, The Junior League, and the American Chamber of Commerce. Not included in this presentation are other groups and institutions: the U.S. Embassy (because of its size, complexity, and high level of secrecy); missionaries and retired Americans (because these groups are in many ways peripheral to the power structure of the Colony); Colony churches (for lack of room and because their functions greatly overlap with other social institutions); and tourists (who, despite their considerable impact and contacts with the Colony, remain a group apart).

## Conquistadores

POR MARINO



# From General Scott to General Foods

The North American Colony had its origins in the manifest-destiny expansionism of the mid-19th century. The northern territories of Mexico became the central focus of U.S. annexation attempts in the 1840's, as the slave and non-slave states sought to maintain a power balance within the U.S. The annexation movement finally resulted in the military invasion and occupation of Mexico in 1847 under General Winfred Scott.

With the troops came investors hungry for profits in land, mines, oil and manufactured goods. First establishing businesses and services related to the needs of the U.S. occupation forces, American civilians gradually settled down to form a permanent community. They called themselves the American Colony.

## Timeline of Events, 1847-1973

- 1847 U.S. forces led by General Scott occupy Mexico City.  
General Quitman proclaimed Military & Civil Governor of Mexico.  
1st Protestant church services in Mexico held by U.S. Army chaplains.
- 1865 Defeated U.S. Confederate officers retire to Mexico and Brazil.
- 1866 Immigrants establish American Benevolent Society, American Hospital and American Cemetery.
- 1870 First Protestant missions established.
- 1873 Anglo Saxon Church founded in Mexico City.
- 1877 Porfirio Diaz becomes president; remains in power until 1910.
- 1888 First American School established in Mexico City.
- 1891 English language newspaper, Daily Anglo American, founded.
- 1900 University Club founded by American industrialists.  
Census estimates 15,000 North Americans in Mexico.
- 1905 Prosperity under Diaz means influx of Americans; foreign investment reaches \$800 million.
- 1911 Revolution well underway.  
Foreign investment curtailed and many foreigners leave.
- 1914 1,500 U.S. troops occupy port of VeraCruz.
- 1917 Revolutionary Convention drafts new progressive Mexican Constitution.  
American Chamber of Commerce founded in Mexico City.
- 1920 American Legion established in Mexico City.  
Census reports American population at 11,090 for entire republic.
- 1921 700 American companies hold First International Trade Exposition in Mexico City.  
Cincinnati Agreements divide Mexico into territories for various U.S. Protestant missions to avoid duplicating proselytizing efforts.
- 1922 American developers purchase 3,000 acres for elite American suburb in Mexico City--Chapultepec Heights
- 1927 U.S. State Department reports \$1.25 billion U.S. investments in Mexico.
- 1929 American Colony grows smaller during U.S. depression.
- 1930 American women found Junior League chapter in Mexico City.  
Prominent clubs: American Club, Rotary, British club.
- 1933 First graduating class of English-speaking Mexico City College (now University of the Americas in Puebla).
- 1938 President Cardenas nationalizes U.S. and British-controlled oil industry.  
American investment drops; Colony population declines to 9,585.
- 1941 Leading American businessmen organize American Society of Mexico D.F. "with a view toward preparation for war work."
- 1942 State Department's USIS opens Benjamin Franklin Library in Mexico City.
- 1943 U.S. and Mexican governments initiate Bracero Program. In this year alone 52,000 farm workers and 23,000 railway workers are brought into U.S.
- 1945 Post-war flood of U.S. investments. Anderson Clayton, International Harvester, Procter & Gamble and others enter Mexico with 100% U.S. capital.
- 1950 Census shows 83,391 North Americans in Mexico as result of post-war investments.
- 1958 American School in Mexico City becomes subsidized by U.S. State Department.
- 1960 Colony population tops 100,000 mark.
- 1964 Diaz Ordaz regime begins open-door policy toward foreign investors.
- 1968 Mexican government spends \$160 million to host Olympics.  
Mass movement led by militant students demands end to yanqui domination in Mexico; Government armed forces kill and jail hundreds and force the movement underground.
- 1970 Luis Echeverria elected President of Mexico. Foreign capitalists and their representatives and managers in Mexico flock to the inauguration to ensure the safety of their investments.  
U.S. Embassy opens \$500,000 U.S. Trade Center in Mexico City.  
First public demonstration since 1968 Tlatelolco massacre is brutally repressed by para-military forces and ultra-right. (June 10th)
- 1972 AmCham Mexico begins its "Communications Program" to fight nationalism.  
American corporations are bombed in Mexico City, Guadalajara, Morelia & other cities.  
2.9 million tourists (90% Americans) come to Mexico--spend \$1.8 billion.
- 1973 Dollar Crisis causes Mexican Peso to devalue by 20% (in relation to Europe, not USA)  
University of the Americas reportedly receives \$10 million from U.S. AID.  
American Consul in Guadalajara is kidnapped by Peoples Revolutionary Armed Forces; returned unharmed in exchange for \$80,000 and release of 30 Mexican political prisoners.  
Rapidly rising cost of living gives rise to land take-overs, riots, and thousands of strikes. By end of December 200,000 workers in approximately 1,000 firms (including major U.S. affiliates) on strike.



# Dollars and Sense of Community:

## THE AMERICAN SOCIETY



When the realities of World War II became suddenly apparent to the American public, not the least disturbed were those American living overseas. In countries such as Mexico and Brazil, whose loyalty to the Allies could not be taken for granted, members of the American colonies became crucial agents in the "war effort". Colony pioneer, Sam Bollings Wright, an American industrialist active in Mexico since the 1900's, tells the story of his work during the War:

When World War II came along they called Mr. Nelson Rockefeller to Washington, and Mr. Roosevelt asked him if he wouldn't take all of Latin America. And his job was to keep Latin America pro-Ally. Mr. Rockefeller came here and he turned Mexico over to me. I had 37 movie projectors going all over Mexico trying to keep Mexico pro-Ally. We showed pictures (The News Parade) to over 3 million people.<sup>8</sup>

Wright was not the only active Colony resident at the time. Several other influential Americans gathered together in 1941, "with a view toward preparation for war work",<sup>9</sup> and established the American Society of Mexico. Their stated purposes were:

1. To keep alive a patriotic spirit toward our country, the United States of America, and to promote its interests.
2. To foster friendly relations between Mexicans and Americans.
3. To assist in developing cultural relations between the two countries.
4. To promote acquaintanceship among its members.<sup>10</sup>

If the American Society was inspired by the threat of World War II, it has been kept alive and active by what it views as a communist attack on the "principles of the Declaration of Independence . . . [and] . . . freedom on a global basis."<sup>11</sup> The American Society is now a "multinational" institution organized by Americans throughout the world as a means of strengthening their positions in increasingly hostile environments. In Venezuela, for example, American businessmen revived their version of the American Society, the North American Association, not long after Vice President Richard Nixon's unpopular visit in 1958. Having the Cuban Revolution fresh in their minds, they saw a stronger American Colony as crucial to the protection of American interests in other volatile areas. An American residing in Venezuela explained:

. . . we lost Cuba, we lost \$800 million, and now we have a cancer inside the Western hemisphere where communism is being embedded and terrorists are being trained to make our job harder. Had we had an active North American Association, had we had all these different things we are starting to do today in Venezuela, Cuba wouldn't be Cuba today.<sup>12</sup>

The American Society in Mexico recognizes that the strength of the American Empire depends to a great extent upon the public image and social cohesion of the American capitalist class. The basic approach of the American Society then is that of a public relations agency whose job is to help strengthen, support and coordinate the activities of 19 of the Colony's organizations, including The American-British Cowdray Hospital, the American Legion, Boy Scouts, Daughters of the American Revolution, the Junior League, the American School and the University of the Americas. One analyst of overseas Americans has written that, "The American administrators deliberately promote the social world to raise their employees' morale by keeping their families busy."<sup>13</sup> In keeping with this theory, the American Society carefully organizes a monthly calendar of events to avoid overlaps and to assure that not a day goes by without something to occupy the American residents, especially the wives.

In an isolated community where the cocktail circuit and the dinner party become the main social institutions, activities like those organized by the American Society can play an important role. One Ford Foundation administrator observed that when he and his wife came to Mexico,

I found that many of the doors for meaningful social relations were closed to us. It was certainly easiest for us to move into the American dinner-party circuit . . . After a couple of these silly-assed parties we found ourselves being sucked into it. What were we to do?<sup>14</sup>

The American Society is conscious of this problem and tries to provide alternative forms of social interaction. A recent article in the American Society Bulletin urged women to join the Social Service Committee's sewing group, because "many of the volunteers have been trans-

ferred to other parts of the world . . . .  
This is a most pleasant way to meet new people,  
and many lasting friendships have been made  
through the work."<sup>15</sup>

Besides creating a sense of community--  
American community--the American Society works  
to promote a positive image of the United States  
in Mexico. Several of the organization's func-  
tions serve both purposes. The yearly 4th of  
July celebration, for example, brings the Ameri-  
cans and their "Mexican friends" together in the  
atmosphere of a county fair, complete with hot  
dogs, coke, baked beans, balloons and clowns.  
The Daughters of the American Revolution, decked  
out in 1776 garb, hand out Americanism awards to  
winners of the American School's essay contest,  
while the Ambassador reads a statement from the  
President of the United States. A central aspect  
of the celebration, held on the American School  
grounds, is the commercial tent where Dupont,  
Kodak, Quaker Oats, Goodyear and others pass out  
sample products and promotional materials. Pa-  
triotism is not simply national chauvinism, it  
plays an important political role in maintaining  
bonds of loyalty to the parent country and its  
global interests. Rituals such as the 4th of  
July celebrations serve to unite and give  
strength and confidence to the Colony.

The American Society's most important activ-  
ity is organizing the United Community Fund, a  
million-peso charity drive for Colony and Mexican  
organizations. The Colony's most influential and  
prestigious leaders are mobilized to engineer  
the campaign. Indicative of the awesome array  
of skills and resources at the finger tips of  
most Colony organizations, the American Society  
is able to call upon high level executives from  
every major industrial sector to solicit dona-  
tions from U.S. corporations. In 1973, for  
example, a partial list of the 28 captains of  
the men's division of the UCF drive looked like  
this:<sup>16</sup>

<u>Captains:</u>	<u>Classification:</u>
Edwin H. Adams, president.....	Construction
Contesca Assoc., S.A.	
Robert D. Bailey, v.p.....	Banks, investors
First National City Bank	
Thomas Looney.....	Automotive
General Motors de Mexico, S.A.	
Richard Cornew, gen. mgr.....	Aluminum
Alcomex, S.A.	
Nicholas Diez, Managing Dir....	Foods & Equipmt
Productos del Monte, S.A. de C.V.	
Richard Dillon, Marketing Dir..	Pharmaceutical
Johnson & Johnson de Mexico	
Emerson Downing.....	Accountants,
Price Waterhouse & Co.	Auditors
Vernon I. Dwelly, v.p. & g.m...	Travel
American Express Co., S.A.	
Curtis Fitzgerald, v.p. & g.m..	Lubricants
Texaco, S.A.	
Francis E. Leslie, retired managing director	
3M de Mexico.....	Office Equipment

The Colony's female leadership, usually the wives  
of business executives, are organized by neigh-  
borhood, and are given the task of soliciting  
donations from the prestigious residential zones  
of the American community. The U.S. Ambassador  
and his wife officially head the UCF drive, as  
they do most all Colony organizations, giving  
the official stamp of approval and authority of  
the U.S. government.

Where does the money collected in this  
highly publicized charity drive go? The project-  
ed distribution of funds for 1973 is as follows:<sup>17</sup>

<u>Organization:</u>	<u>Amount (in US\$)</u>
American Benevolent Society	40,000
American Society	28,800
Salvation Army Childrens Home	26,400
American British Cowdray Hospital	16,000
Boy Scouts	8,400
American School Scholarships	6,000
UCF Expenses	3,500
Social Service Committee	3,200
Comite-Pro-Infancia	2,800
YMCA	2,000
Hotline	1,600
Girl Guides	1,280
University of the Americas	800

All of the money goes to Colony-administered  
programs, many of which serve Mexican charities,  
but all of which are controlled by North Americans.  
Anxious to promote an image of the charitable,  
friendly, well-intentioned American, the American  
Society likes to stress the percentage of money  
which goes to Mexicans. Yet the Colony is re-  
luctant to allow Mexicans to assume any position  
of leadership, especially when money is concerned.  
As one long-time resident commented, "If you let  
one of them on the board, they want to take over  
the whole organization."<sup>18</sup>

#### Keeping Tabs on Congress

Apart from its community work, the American  
Society is seen by some as an effective pressure  
group for citizens living far from the political  
center of the "mother country." An editorial in  
the American Colony's English language newspaper,  
The News, described the organization as "the only  
group that represents all U.S. citizens in  
Mexico . . .

U.S. citizens need representation.  
By having it and keeping their  
collective finger on the pulse of  
Mexican-American relations, they  
can do a lot to persuade congress-  
men on Capitol Hill to avoid legis-  
lation that might harm Mexican-  
American relations."<sup>19</sup>

The Gore Amendment (1970), which would have  
cut the annual income tax exemption for U.S.  
citizens residing abroad from \$25,000 to \$6,000,





is an example of legislation judged "harmful" by the American Society. In a January 1971 issue of the American Society Bulletin an article praised the defeat of the Gore Amendment which "automatically brought cheer to the American communities in Mexico and everywhere else in foreign countries."<sup>20</sup> The American Society claimed that the Amendment not only would have "hit all U.S. citizens hard, but it would definitely be detrimental to the image of and interest of Uncle Sam."<sup>21</sup> According to the article, the American Colony can take some credit for the Amendment's defeat because "the American Chamber of Commerce and American private citizens lost no time in letting representatives and senators know what they thought about Gore's amendment."<sup>22</sup>

#### Loneliness of the Short-Distance Imperialist

Despite the seemingly endless number of Colony activities and the public relations efforts of the American Society, the Colony is plagued with serious social problems. One of

the many projects sponsored by the American Society is the Hotline, a telephone counselling service which has become an increasingly important Colony institution. In a rare departure from its usual line, the American Society Bulletin recently printed a revealing article about the conditions leading to the establishment of the Hotline:

It is, I think, generally conceded that something, perhaps quite a lot is wrong with civilization as it now stands . . . we dwell in the midst of an alarming number of desperately unhappy people. . . loneliness in fact is often the underlying cause of other problems such as alcoholism, family conflicts, drug abuse, depression, sex hangups and suicide.<sup>23</sup>

The article explains that the Hotline receives a "greater percentage of calls coming from lonely people than from any other single problem area."<sup>24</sup>

Though hesitant to admit publicly that the American Colony might be anything less than a bastion of strength, confidence and optimism, many residents will confide privately that their world is full of self-doubts and fear. But these problems pale in comparison to the material hardship the Colony helps impose on the Mexican people.

## Readin' Ritin' & counter-Revolution

North Americans, convinced that their system of education is not only the best for their society, but for the entire world, have propagated American-type schools in every part of the globe. Mexico is no exception. As a result of 2,000 miles of shared border and a steady flow of immigrants from her northern neighbor, Mexico now has some 50 U.S.-type schools, probably more than any other nation in the world. These schools, form an integral part of the American Colony and affect important sectors of Mexican society.

The oldest and largest of these is the American School Foundation (ASF) in Mexico City. Founded in 1888 by American investors to educate their children. It has been in continuous operation since then, closed only for short periods during the Mexican Revolution. It is still supported and controlled by the Colony's business leaders.

With the exception of the American School in Cambodia, the ASF in Mexico City is the lar-

### THE AMERICAN SCHOOL

gest and most influential of the 134 American School Foundations spread throughout 76 countries. The school enrolls 2,500 students in its kindergarten through high school program. Over half the students are U.S. citizens, approximately one third are Mexican citizens, and the remaining students are of various other nationalities.

With an annual budget of \$2.1 million, the ASF is set up to look and operate just like a school "back home." It features U.S.-trained teachers, U.S. curriculum, dress codes, PTA, football games, pom-pom girls, and many other trappings of a "real live American school." Since 1931 the ASF has been a member of the Southern Association of Colleges and Secondary Schools which allows American School graduates to enter U.S. universities with proper credits and course requirements. An attractive feature for the mobile families of the American Empire is that, as an accredited institution, the American School can transfer credits to and from American Schools in other parts of the world.



Cheerleader and athlete at the American School.

For the American families of several generations' residence in Mexico, the American School is the guarantee that their children will be brought up as North Americans, respecting the values of the American social system. An American education in Mexico means that children will be taught pride in the American Revolution, not the Mexican, taught to revere a Rockwell instead of a Rivera. An American airline official living in Rome expressed a common fear of parents in the American Colony, "There was a period when my wife and I decided that if the time every came when our children no longer acted 'American enough,' we would go back home."<sup>27</sup>

The American School greatly reduces the possibility of the feared de-Americanization, for it becomes the cultural umbilical cord, the life-line back to the U.S. But the school is not totally successful. In its determination to recreate the American experience, the American School produces an exaggerated world of half-truths and distorted myths. Many American School graduates find re-entry into the U.S. a confusing, painful, and sometimes impossible experience, and they return to their "in-between world" of the American Colony.

#### U.S. Government Aid

Since the early 1960's the U.S. Government has come to see the American School as a necessary part of foreign operations, a means of demonstrating to developing nations the American methods and philosophy of education. In a speech before the U.S. Congress, President Lyndon B. Johnson introduced the International Education Act by saying:

We have a potentially rich resource in the American elementary schools and colleges overseas assisted by the Department of State and AID:

They should be showcases for excellence in education.<sup>28</sup>

Hoping to improve the quality of the American schools abroad, the State Department provides financial aid and helps coordinate a number of programs beneficial to the schools. In 1971, the State Department granted \$164,000 to American Schools in Mexico City, Guadalajara, Durango, Monterrey, Pachuca, and Tlaxcala. It also established the Office of Overseas Schools which, among other activities, coordinates exchange programs between the overseas schools and universities and high schools in the United States. These school-to-school programs keep the Colony schools up-to-date on the most recent developments in curriculum and techniques, and government funding provides them with the resources to put the new ideas into practice.

#### Preparing Tomorrow's Managers

Charles Patterson, Superintendent of the American School in Mexico since 1956, consultant to the U.S. State Department, and an organizer of American Schools in Mexico, Central and South America, sees one of the American Schools' important services as "helping to transcend the gap between the host country's culture and that of the United States of America."<sup>29</sup> Patterson lists several specific functions which he feels contribute to this task; this list includes the following functions of the school:

...Provide broad, bilingual education programs which may lead the students into business and commercial activities meaningful to U.S. interests, both in the host country, as well as in the U.S.; Provide leadership and educational practices by utilizing and demonstrating modern methods of educational instruction, and through democratic organization, operation and administration of the schools; ...Promote professional relationships between educators of the U.S. and the host countries....<sup>30</sup>

Despite the claims of having created a bi-cultural experience, a teacher at the American School revealed that there is a deep-rooted antagonism between the Latin American and the North American students. Even here the Mexican, Colombian and Cuban students are treated as "minorities."

There is a social split between the Latins and the American kids . . . The Mexicans who entered the school in elementary grades form a tight little impenetrable circle. The American kids only infrequently elect courses about Mexico or Latin America.<sup>31</sup>

In Mexico, creating a bi-cultural experience and bridging the "culture-gap" means socializing non-Americans to the ways of North



American education, selling them curriculum, technology and the English language. Patterson cites examples of the role of the American School in transferring these American values to Mexican adults, public school children, government officials and university students.

In Mexico City key American School personnel serve as professors at the National University. The school facilities are frequently used by Mexican public schools, in a variety of activities such as evening adult education courses in which several hundred Mexican national adults are enrolled. Special courses such as English are structured and offered free of charge for Mexican government officials who desire to learn a second language . . . . A national (media) specialist has assisted . . . in the organization of the Educational Materials Center of the College of Medicine, National University of Mexico.<sup>32</sup>

The American School also reaches out to influence the faculty, administrators and students of other major cities in Mexico and Central America. The ASF, in cooperation with Michigan State University, operates in-service training and consultation programs to American schools in Guatemala, Nicaragua, El Salvador, Honduras and Costa Rica as well as its sister schools in Mexico. Superintendent Patterson cites this example of how one of these programs has effected the entire public school system in Guatemala:

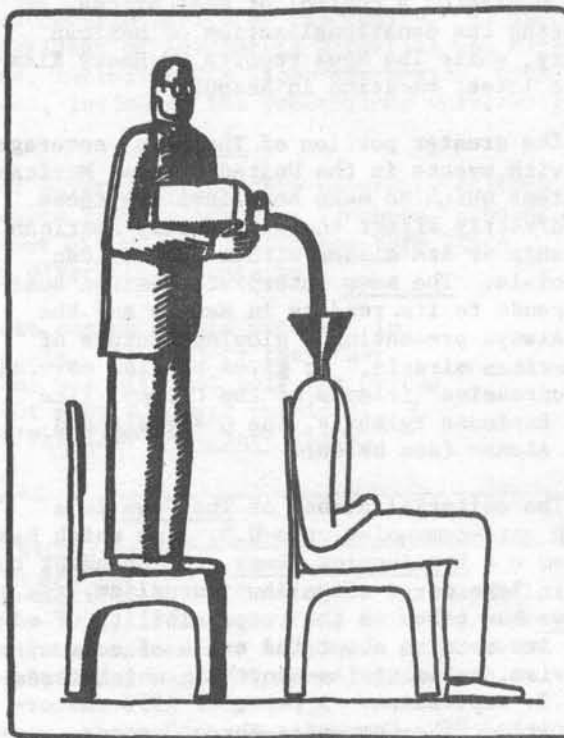
In Guatemala City, Guatemala, the American School is actually employed as a laboratory and teacher-training institute on behalf of the National Ministry of Education, and the National University of San Carlos. In addition, academic and psychological test materials developed by the American School personnel have been adopted for use by all the public schools in Guatemala.<sup>33</sup>

As is the case with other Colony institutions, such as the American Chamber of Commerce or the Junior League, the size and the resources of the American School take on significant dimensions in the context of a developing nation such as Mexico. The "demonstration effect" of such organizations becomes exaggerated because their wealth and bureaucratic efficiency are in such contrast to the struggling institutions of a developing nation. Although the American School, and other Colony organizations, were created within a context culturally, politically, and economically distinct from that of Mexico, they frequently become the models of "progress" to be copied by Mexican elites. Patterson summarizes the impact of the American School upon the national bourgeoisie of foreign countries like Mexico:

Increasingly the schools are being turned to by professional people among the national population for demonstration of teaching methods, materials of instruction, projects of innovation, school plant design, and such specialized services as library, educational materials center, counseling, and guidance, and academic testing . . . .

The improving quality of American Schools in Latin America has gained the respect of many nations, particularly among the leading families of the host countries. Most of the schools enroll children from those families of the host country holding the highest educational aspirations and standards. In addition, these people are prominent political figures, educators and businessmen. These national families, in turn, are among the strongest advocates of continued improvement in the personnel, programs, and services of the American Schools.<sup>34</sup>

The political role of the American School in Latin America thus becomes clear. It not only attempts to Americanize the youth of the "leading families," but also brings their parents into one realm of the American Colony. By making itself available to leaders in government, business and education, it presents itself as the dispenser of knowledge. Stressing that the most effective and up-to-date methods in education come from the United States, it increases the dependence of the elite upon American institutions. And finally, it manipulates the goals of Mexican education to prepare the denationalized scientists, educators, managers and politicians of the future.



# The News

A principal source of information and instrument of influence of the American Colony is a Mexican-owned newspaper, The News. It forms part of a media network in Mexico which includes two radio stations, an American Cablevision channel brought from Texas, an array of American movies and television programs, and numerous publications of the American Chamber of Commerce, the American Society, and the American Embassy. Together they serve to surround the American Colony and their Mexican allies with an American interpretation of culture, economics, and politics. The News is sold each day in all major Mexican cities where Americans live, making its way into thousands of homes and offices. In Mexico City, The News can be found in tourist hotels, Sanborn's restaurants, and in the business and residential areas frequented by Americans. For most Americans there, it is their principal source of news.

## DON'T ROCK THE BOAT

More than anything else, The News is a huge ad for the United States, the American Colony, and the Mexican bourgeoisie. The News presents a daily interpretation of carefully selected events which reflects the economic and political ties of its editors as well as the bias of its U.S. staff and news sources. Most major stories are picked up from UPI, Reuters, and AP wire services, and these are selected to avoid anything critical of the U.S. or U.S. interests in Mexico. Several major dailies in the Capital may carry headlines criticizing Purina and Anderson Clayton's control of meat prices, or denouncing the denationalization of Mexican industry, while The News reports on Henry Kissinger's latest vacation in Acapulco.

The greater portion of The News' coverage deals with events in the United States; Mexican news items which do make headlines are those which directly affect the principally American readership or its allies within the Mexican bourgeoisie. The News interprets Mexican business trends to its readers in Mexico and the U.S. Always presenting a glowing picture of the "Mexican miracle," it gives special coverage to "progressive" friends of the Colony, like Manuel Espinosa Yglesias, the O'Farrills and Miguel Aleman (see below).

The editorial stance of The News is a staunch anti-communist, pro-U.S. line which has prompted one Los Angeles Times correspondent to label it "the worst of yellow journalism."<sup>35</sup> The News has taken on the responsibility of educating its readers about the evils of communism, bolshevism, collectivism--anything which threatens U.S. capitalism. A December 1970 editorial entitled "The Communist Threat" reads,

President-elect Luis Echeverria's forthrightness in talking about the communist menace to world peace should have a salutary effect on people in and out of government.

"Communism," fortunately no longer the officially 'forbidden' word, can probably now be confronted here in a more reasonable manner, wherein youngsters will be taught why Mexico's Revolution is so much greater and more civilized than the Bolshevik one, and why foreign ideologies have nothing to offer this country.<sup>36</sup>

The values and goals of U.S.-directed capitalism are obviously not seen by The News as "foreign ideology," for they are promoted daily as the key to successful development in Mexico.

The owner and editor of The News, Romulo O'Farrill (See box) reportedly has a list of "too hot to touch" items: guerrilla operations, anti-American demonstrations, scandals in the ruling PRI party, police brutality--in short, anything which might explode the myth of Mexican stability and its attractiveness to foreign investors. One item carefully avoided by The News was Mexico's independence celebration of September 1972: bombs exploded in seven U.S.-owned businesses, including IBM and Ford Motor Company in Mexico City, Coca-Cola in Guadalajara, Pepsi-Cola in Morelia, and a bilingual library in Oaxaca. A journalist for the Los Angeles Times who has been in Mexico for a number of years summed up his feelings about The News in this way:

I wouldn't get printed in The News. It's just a booster paper like the Novedades, both of them owned by O'Farrill. When have you ever read anything critical to the United States in The News, or anything critical to Mexico in general? All they do is print glowing handouts from the government. Their desire is not to rock the boat.<sup>37</sup>

## COLONY CONSCIOUSNESS AND THE GHETTO PRESS

Running stories from the major U.S. press associations, printing established American columnists, and focusing almost exclusively on news events in the United States, The News provides the American Colony in Mexico with the kind of coverage it might get from a conservative daily in Texas or Bakersfield, California. But The News does something that no U.S. paper could do: it serves as an American Colony



newspaper--helping to establish a community consciousness, a community of interests within this foreign branch of the American Empire.

The News helps define, clarify, and strengthen the Colony and its interests with its coverage of U.S. businessmen and their corporations, the activities and personnel of the U.S. Embassy, the American schools and churches, and the leaders and members of the Mexico City Colony's hundred-some-odd organizations. The News serves as a daily reminder that all Americans in Mexico are supposed to share a common purpose, common interests, and common leaders. It serves as a mouth-piece for those leaders, a forum in which

they make public their views on free-enterprise, communism, foreign investments, and the like. Like any community newspaper, The News plays the fundamental role of providing identity, coherence, and political direction to its community -- in this case, a small privileged community of foreign elites whose power and wealth is far disproportionate to their numbers.



## Romulo and Reams of Paper

The O'Farrill family that owns and operates The News is one of the fifty wealthiest families in Mexico. The O'Farrills are not Americans, nor Irish, but Mexicans who have made themselves rich and powerful by introducing American capital, American technology, and in this case especially American culture and ideology into Mexico.

Romulo O'Farrill Sr. introduced the television to Mexico and now controls Telesistema Mexicana, one of the largest television monopolies in the world. He also built the newspaper empire of Publicaciones Herreria, which publishes two conservative dailies in Mexico D.F., Novedades and Diario de la Tarde, in addition to The News. Not to be left out in the lucrative automobile industry, Romulo Sr. helped establish the Chrysler Corporation in Mexico (Automex S.A.) and owns his own share of the market, Automotriz O'Farrill. He became the president of the Mexican Highway Association (Asociacion Mexicana de Caminos) and is the life-long president of the Pan American Highway Congress. He has received wide recognition for his pro-U.S. role throughout the years; in 1951 he received the Executive of the Year award from the U.S. Sales Executive Club.

Romulo O'Farrill Jr. has followed in the footsteps of his father. After studying at St. Anselm College in New Hampshire and the Business Institute in Detroit, he returned to take over the management of the television, newspaper and automobile empire of the family. He is presently the general manager of The News, and vice president of Automotriz O'Farrill and sits on the board of directors of six banks and corporations, including RCA Victor de Mexico, MACK S.A. and Sears Roebuck. He belongs to many organizations, including the prestigious University Club for American businessmen.

In March of 1973, Romulo O'Farrill Jr. was one of several Mexico City newspaper editors who along with Mexican Presidential Undersecretary, Fausto Zapata, hosted a luncheon in honor of visiting USIA Washington chief, James Koegh. A recent bit of news in the New York Times entitled "Let's Be Friends" gives an indication of the O'Farrills' contacts:

Among the people Henry A. Kissinger has been seeing on his vacation in Acapulco, Mexico, are Mr. and Mrs. Aristotle Onassis. At a party the other night, President Nixon's national security advisor was with not only the Greek shipping tycoon and former Jacqueline Kennedy, but also a former president, Miguel Aleman, and a Mexican publisher, Romulo O'Farrill. (New York Times, March 28, 1973.)

### — NOW AVAILABLE FROM NACLA: —

A Spanish translation of the NACLA Report on Central America, "U.S. Strategies for Central America," NACLA's Latin America and Empire Report, May-June, 1973, Vol. VII, #5. This translation, 45 typed pages (legal size, single-spaced) can be ordered for \$2.50 (to cover xerox costs) plus \$1.50 postage. Write to NACLA, Box 226, Berkeley CA 94701 (attn. Guatemala Project), and please send money with order.

# The Gilded Guilt Corps:

## THE JUNIOR LEAGUE



American women in foreign countries play an active role in maintaining and protecting the interests of the U.S. ruling class. Though most executive positions in business and government are still filled by men, women staff the government services, the international agencies, and form a large part of the students, teachers and scholars abroad. Six out of every ten American missionaries overseas are also women.

But most American women go to countries such as Mexico as the wives of business managers. In a competitive world where business and social activities are often one and the same, a competent wife to administer parties and other social gatherings is an important element of an executive's success.

On the outside this life is glamorous: elegant homes, servants, private schools, vacations in Acapulco and membership in the high society of the American Colony. But the American woman recently arrived to this world may find herself lonely, isolated and unoccupied. Maids keep the house clean; the kids are at the American school or with a servant; the husband is at work or on the golf course.

Some American women who cannot adapt to this kind of ghetto world return to the United States. But most do adjust, becoming involved in the wide range of social, recreational and charitable activities offered by the American Colony. The Junior League is one of several organizations that organizes and directs the large amount of spare time of the Colony women. It offers an alternative to isolation and boredom, promising involvement in meaningful activities and contacts with other American women of the same class.

As one Ford Foundation official explained:

The Junior League at least offers a means of integration into life here; it offers that for my wife. She got her first contact with concerned American girls and her first contact with Mexicans. This gave her a fabric to fit into, a social participation, not divorced from national life.<sup>38</sup>

### The Junior League

The Junior League was founded in Mexico in the early 1930's by a group of prominent American women to promote social welfare and

charity in Mexico. It is one of 222 Junior Leagues and the only branch outside of the U.S. and Canada. As in the United States, the League has recruited its 150 or so members from among the wives and daughters of the most wealthy and powerful businessmen. These factors have made the Junior League the American Colony's most exclusive women's organization.

Besides the women of the Colony elite, the Junior League also selects women of the Mexican upper-class, usually those tied through marriage or business to the American Colony. This makes the League an important ground for social interaction of the Colony and Mexican elites. In 1973, for the first time in its history in Mexico, the President of the League was a Mexican. Married to a third generation American in Mexico who is an executive in the automobile industry, she speaks flawless English, was educated in American universities and is typical of the denationalized Mexican found in this organization.

### The Training Center

The official purpose of the Junior League is to promote trained voluntary participation in community work, in hospitals, convalescent homes, working class slums and in Mexican Government projects. The "Junior League of Mexico City Orientation Kit" explains that the young women (18-40) are taught the "skills and attitudes" of volunteer service. They are given courses on subjects which develop an "awareness of (their) community--its goals, needs, and its people." which prepare the women for participation in a wide range of service projects. The problems of Mexico--underdevelopment, malnutrition, illiteracy--are thus viewed as though they can be solved by the service projects and charity programs. All of these projects are designed as "model programs" to be turned over to community leaders after they are "operating smoothly".

One of these programs was the establishment in 1962 of a food distribution center and day nursery where U.S. Government surplus food is distributed to over 2,000 persons a week. In the name of social service the Junior League helps boost the image of the U.S. government, while it presents itself to the Mexican people as the distributor of the benefits of the capitalist system. The distribution center may reach a few people, but for the 70% of all Mexican children who suffer from malnutrition, the effort is lost. The causes of this poverty





remain the same--the same U.S. government and the same global corporations run by the husbands of these Junior League women.

The Junior League also operates a Volunteer Service Bureau which helps place non-League volunteers in certain "charitable" programs. The Volunteer Service Bureau is part of the League's drive to promote the volunteer ethic among Mexico's middle-class women as well as the elites, in this way multiplying the woman-power of the League's programs. In this area they have the full support and cooperation of the wife of the Mexican President, Mrs. Zuñiga de Echeverria. Active in numerous uplift programs herself, she has praised the efforts of the Junior League and organizes seminars of Mexican and American leaders to discuss the future of volunteerism in Mexico.

"Those Orphans She Loves So Much . . . "

The Junior League is not, of course, the only charity organization in the American Colony. Women and men alike are active in the Salvation Army, the American Benevolent Society, the Comité Americano Pro-Infancia and literally dozens of other American service organizations. Charity work, in fact takes up a good part of their leisure time, especially for the women.

Why do they do it? To a great extent it probably has to do with the social and psychological needs of the upper class, particularly in a foreign country. Charity work helps fill the need to make contacts and friends, to create a social world in a foreign setting, and also "to keep the upper-class a social class."<sup>39</sup> A gossip column of *The News* gives some insight into a charity ball:

Emi Fors' annual bash to benefit Padre Angel's orphanage, Casa Hogar, as usual was a sell-out smash . . . The setting was Authentic Polynesia, with thousands of flowers and stalks

of bananas--even an erupting volcano . . . Emi's party in behalf of those orphans she loves so much was a thrilling climax to a marvelous week in Acapulco.<sup>40</sup>

The event reflects the social context of much of the Colony's charity activities. Whether Junior League or charity bash, charity activities never lose their upper-class character. More importantly, they never challenge the bases of power and privilege of this class.

At the level of fashion shows and cocktail parties, the contradictions and hypocrisy of upper-class charity are obvious. More difficult to analyze are the numerous service projects undertaken with a great deal of sincerity and desire to help others. The apparent short-term benefits of these programs must be juxtaposed with their long-run implications. One of the effects of such programs is to reinforce the myth that the upperclass is the rightful guardian and distributor of the fruits of the capitalist system.

Charity reduces the potential for rebellion and challenge to the system by socializing the poor into believing that the necessities of life come from the elite. It smooths the rough edges of the capitalist system, helping it to continue neglecting basic human needs.



Requests for further information and additions or corrections to this study may be directed to:

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# Outpost of American Business

## THE AMCHAM

The first years of this decade have witnessed increasingly strong attacks from all sides against U.S. imperialism. Within the United States itself, sharp criticism of American corporations has come from such established sources as the U.S. Congress and columnist Jack Anderson. U.S. businessmen at home responded to the attacks with the publication of the Lewis F. Powell Memorandum, a study commissioned by the U.S. Chamber of Commerce in early 1971. The Memorandum urged the immediate organization of U.S. corporations for the purpose of mounting a massive propaganda campaign in defense of the free enterprise system.

In Mexico the threats to North American domination seemed particularly serious throughout 1972, as the Mexican Government attempted a series of reforms aimed at strengthening the national economy. A Presidential decree declared that 60% of all the parts used in the auto industry would have to be made in Mexico, while another bill called for strict controls over the importation of foreign technology. The government also gained majority control of several foreign industries, including American and British controlled tobacco interests.

These government actions, combined with extremely harsh criticism of foreign investments in Excelsior, a major Mexican daily, moved the American business community quickly into action. Taking its lead from the Powell Memorandum, the American Chamber of Commerce of Mexico (AmCham) began a major offensive designed to counter the barrage of attacks against U.S. capitalism. In the fall of 1972, a high level meeting was called in Acapulco, where representatives of the AmCham, the Council of the Americas, and the U.S. Embassy in Mexico gathered forces in an attempt to exert public pressure on the Mexican government. Acting as spokesman for the group, the U.S. Ambassador demanded a clarification of the role of foreign investment. They soon received official word that, as always, they were quite welcome in Mexico, though they would be expected to share the responsibilities as well as the benefits of Mexican development.

During the past year, the AmCham has continued to organize and strengthen its efforts to "correct" the image of American business in Mexico. Energetic propaganda campaigns have been aimed specifically at what the AmCham sees as the core elements of dissent--students and workers. The Communications Director of the AmCham--a third generation Colony resident--explained what lay behind the decision to mobilize:

Traditionally businesses have taken a low profile in Mexico. Today business is coming under a great deal of attack. People are questioning. It's time to talk about it, to look at what private enterprise is doing, and figure out how to get it across and do it well . . .

The basic problem is not foreign investment, but the survival of the free enterprise system . . .

Loretta [1972 President of AmCham] got mad and galvanized the Chamber. He told them what they should be doing --providing a situation in which practitioners of free enterprise can perform . . .

We're acting now rather than reacting. We're carrying the ball because we're organized.<sup>41</sup>

AmCham Mexico is certainly well-suited for the task it has set out to do. Made up of 2,100 of the largest Mexican and North American corporations in Mexico, it is the largest and most powerful of the 31 American Chambers of Commerce located outside the United States. The AmCham's annual budget is nearly \$1 million, \$240,000 of which is spent on the salaries and commissions of some 40 employees. According to the Communications Director, "The man that sits in the office upstairs, Al Wichtrich (Executive Vice President) turned this thing from a second-rate luncheon club into a very important business organization with a gamut of services."<sup>43</sup>

Its growing influence has led people to describe AmCham Mexico as one of the more important pressure-groups operating in Mexico. It functions as a complement to the multinational corporation, and through its ties works to integrate the Mexican economy ever further into the U.S.-dominated sphere.

What are the more important ties and areas of influence of the American Chamber of Commerce in Mexico?

I. International Business Organizations. The AmCham maintains close ties with the U.S. Chamber of Commerce, with its membership of over 40,000 firms and individuals; the Council of the Americas, made up of 200 of the largest U.S. globals with operations in Latin America; and the Association of American Chambers of Commerce in Latin America (AACCLA). Salvatore P. Lio, (Regional Director of Monsanto and Vice Presi-



# "Time To Tell It Like It Is"

"The private enterprise system throughout the world is menaced by the rising tide of opposition, with the consequent and imminent threat of being submerged by the advancing waves of collectivism . . .

"I view this crisis as an opportunity to check the rising flood of opposition, not by temporary sand-bagging, but by a counter-tide of truth and fact which, if properly done, will leave our system stronger than ever before.

"To this end, just about a year and a half ago, the American Chamber of Commerce of Mexico, in a fundamental change in its traditional posture, decided to undertake a vigorous campaign of truth and fact to demonstrate the positive benefits of the private enterprise system and direct foreign investment . . .

"No successful operation can flourish in a climate of public and official misunderstanding of, first, the function of profit as an incentive to progress and development, and second, the function of the multinational corporation as the most efficient means of dispersing to all economic levels the fruits of its technology and its resources . . .

"The Naders and the Allendes and the Hartkes are seemingly successful because the public has been pre-conditioned to accepting business as the scapegoat for its real or imaginary misfortunes.

"With that anti-business sentiment prevailing among a substantial segment of the public, the free enterprise system is in jeopardy--in jeopardy in the United States from statistic-oriented intellectuals and narrow-visioned protectionists, and in jeopardy in developing nations where desperate people pursue the whitewashed fantasy of Marxism."

From: "Time To Tell It Like It Is" Speech by Frank Loretta, President, DuPont Mexico  
1972 President of the American Chamber of Commerce of Mexico, March 2, 1973.

dent of Industrias Resistol), is a member of the Council of the Americas, and has been president of the U.S. Chamber of Commerce, Am Cham Mexico, and the AACCLA, adding to the leadership and policy continuity of these organizations.

AmCham Mexico officials travel frequently to the U.S. to meet the leaders of the U.S. Chamber and to speak with influential Washington officials. AmCham Mexico receives no money from the parent organization, and, in fact, sees itself as the pace setter in many ways. According to the Communications Director:

Because the U.S. will have to export more, the AmChams abroad will become more important. They need us. We are the success story and people will copy success. We have shown them how to do it.<sup>44</sup>

Through the AmCham's Inter-American Economic Integration Committee, it also maintains direct communication and information exchanges with the major Latin American trade associations.

II. The U.S. Government. The highest officials of the American Embassy are also the honorary officers of the AmCham Mexico, and several of the Embassy staff (the Counselors of Public Affairs, Economic Affairs and Com-

mercial Affairs) are working closely with the Chamber. An AmCham official explained that cooperation between the American business sector and the government was being "used to an optimum" in Mexico:

Few countries have such a relationship as we do . . . The usual case, and the case before in Mexico, is that the businessmen see the Embassy people as bureaucrats who really don't know what's going on. And they think we are just in our business bag. Now we're coming closer together and seeing that we do have a lot in common. Why did this change? In large part because of the word from the new administration [Nixon] of 'be kind to businessmen.' The Embassy had been a closed ring of bureaucrats entertaining themselves, but now they've got the word. From McBride down to the press attache, the Embassy officials are working closely with us.<sup>45</sup>

The Chamber also maintains contact with the Government in Washington through its Congressional Committee which lobbies for Colony interests back home.

III. Media. As well as projecting its image and philosophy in its own publication,

Mexican American Review (the largest and most widely read business magazine in Latin America), the Communications and Public Relations Committee works hard to place some 800 favorable press mentions a year in various news media. Editorials in its own publication, Noticias, have "attracted comment in top echelons of the public and private sectors," according to the 1973 Am Cham Annual Report.<sup>46</sup> The AmCham gets particularly good coverage from the English-language daily, The News, and from the Colony's American Society Bulletin.

IV. The Mexican Government. The Chamber's Government Liason Committee maintains direct contact with the Mexican Government and works especially with the Ministry of Industry and Commerce.

## Business Leaders

On the basis of press coverage, reputation within the Colony, and membership on boards of directors of Colony organizations, we selected a group of 28 business executives as being the top American leaders.<sup>46a</sup> Of these 28 men, we found that at least

- 21 had been members of the Board of Directors of AmCham
- 21 were members of the University Club
- 16 live in Lomas de Chapultepec
- 14 had been Presidents of the AmCham
- 13 had been directors or officers of the American Society
- 12 had been invited to a pre-inaugural dinner for President Echeverria, hosted by Manuel Espinosa Yglesias
- 11 had lived in Mexico for over 20 years
- 8 had been members of the Board of Directors of the American School
- 7 had been "captains" of the United Community Fund
- 7 belong to the exclusive Chapultepec Golf Club
- 7 belong to the equally exclusive Campestre Golf Club
- 7 have wives or daughters in Junior League
- 6 are trustees of the University of the Americas

Whatever their motives, these same men influence the direction of investments in Mexico, help determine the distribution of profits, set standards for education, and dispense charity donations. They also live in the same neighborhoods, golf at the same country clubs, send their children to the same schools, and read the same newspapers. Thus, their business activities, their social world and their private life mutually reinforce their shared values, ideological perspectives and goals.

Government agencies like the Department of Tourism, the National Tourist Council, and the Convention Bureau also collaborate actively with the Chamber. AmCham's Labor Affairs and Tax & Legislation Committees keep track of Mexican government moves that might affect the interests of the Chamber members (labor-management disputes, minimum wage laws, etc.).

V. Mexican Business Leaders. According to AmCham officials, 60% of their membership is made up of Mexican corporations. Most of these see membership in the Chamber as a requirement for trading with the United States, since it provides both the essential information and the personal contacts with American businessmen. Mexican executives, however large their number, play a conspicuously subordinate, almost apprentice-like role in the Chamber's activities. No Mexican has ever been president of the organization and no non-American sits on the executive board. Of the AmCham's 29 committees in 1973, only 5 are headed by Mexican businessmen. Clearly the American businessmen are in charge.

AmCham has a private Liason Committee which maintains contacts with Mexican corporate leaders outside of the Chamber. It allies itself with the most powerful sectors of the Mexican bourgeoisie, such as Miguel Aleman, Manuel Espinosa Yglesias and Romulo O'Farrill,\* while simultaneously seeking the sympathy of the more progressive sectors of industry in the government of President Echeverria.

VI. Universities and Youth are among the prime targets of the AmCham's current propaganda campaign. A Chamber official told us:

We're really concerned. The young are opting out of business. They're questioning. For us, questioning business is like questioning motherhood or slice bread. And we can't understand it.<sup>47</sup>

\*Miguel Aleman is probably the best friend that foreign investors have ever had. During his reign as President of Mexico in 1952-58 and continuing to this day as Secretary of Tourism, he has championed the counterrevolution by opening up the country to foreign investment and made himself the richest man in Mexico. He holds partnerships with U.S. firms in hotels, television and land

Manuel Espinosa Yglesias began as book-keeper and pistolero (hired gun) of the late William Jenkins, an ex-American consul who built a fortune and mini-empire in the state of Puebla. After Jenkins' death, Espinosa Yglesias took over the multi-million dollar Jenkins Foundation and has used this power to become the president of the Banco de Comercio, one of the 25 wealthiest men in Mexico and leading apologists of foreign investment.



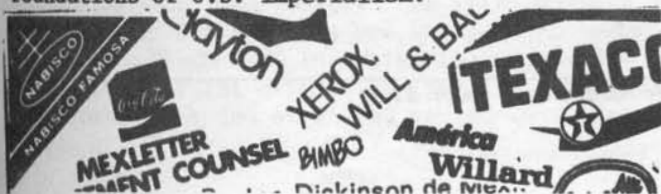
Five top-level Mexican university administrators are now regularly attending seminars and other functions of the AmCham. According to the Communications director, Mexican universities are pervaded by bias against free enterprise, and through these five university officials, the Chamber hopes to influence the hiring and curriculum development of the university. With these same ends in mind, the Chamber has donated over 50,000 books to educational institutions in the country. The Education Committee runs a "vocational orientation program" for students, sponsors visits to industrial plants, grants scholarships for graduate study in the U.S., and helped reestablish Empresas Juveniles, Mexico's Junior Achievement, described by its president as a "do-it-yourself training school for adventures in free enterprise and human dignity."<sup>48</sup>

VII. Workers are another major source of concern for the Chamber whose members together employ an estimated 250,000 Mexican workers, 5% of the nation's total workforce of five million.<sup>49</sup> It is these workers who, with demands for a 20% wage increase, recently have struck many of the largest U.S. corporations in Mexico, including Firestone, Goodyear, B.F. Goodrich, General Tire, Uniroyal, General Motors, Pepsi Cola and Coca Cola.

Recognizing the threat presented by the workers, the Chamber has organized a series of courses to teach factory workers the benefits and function of the free-enterprise system. The AmCham has trained some 136 teachers to carry the word of capitalism into the factory. A "popular" version of U.S. history is also distributed to workers by AmCham in an attempt to reduce anti-yanqui sentiments within the workforce.

The new direction given the AmCham by its current leadership represents an important trend in the strategy of U.S. corporations abroad, seeking new methods of countering nationalism and anti-imperialism in foreign countries. American Chambers in other Latin American nations have been severely criticized by members of the Council of Americas as "flag waving" interests groups which actually harm the image and effectiveness of U.S. business.

The current leadership of AmCham Mexico has attempted to correct this situation through a multi-level propaganda campaign based on the overall interests of free-enterprise rather than the special interests of particular corporations. The degree to which the AmCham is successful in unifying the private sector will play a crucial role in reinforcing the shaky foundations of U.S. imperialism.



## Conclusion:

Any conclusive evaluation of the power and influence of the American Colony must be seen within the perspective of the larger U.S. Empire, and within the context of Mexico as a nation in struggle. It seems apparent that the central power of the Empire rests in Wall Street and in Washington where general policy and direction are determined. But policy is implemented abroad by managers who are trained to deal with different foreign settings. From the perspective of the imperialist system as a whole, these managers are by no means the most important force. But for Mexico and Mexicans, these managers and the Colony they have created exercise a crucial influence.

The impact of the American Colony in Mexico becomes clearer when seen as part of a long struggle, initiated by the Mexican Revolution of 1910, between contesting models of socialist and capitalist development. A generation of Mexicans fought for socialism; while their leaders did not achieve this goal, they did initiate several important reforms, including the agrarian reform and the 1938 nationalization of the petroleum industry. Since World War II, however, powerful elements of the national bourgeoisie have allied themselves with U.S. interests and pushed Mexico along a road of dependent capitalist development, undoing most of the gains of the Revolution. Earlier attempts to collectivize the land system, a principal element of the Revolution, have been frustrated, as capital, skills, and research have been poured into the "modern" agribusiness complex dominated by American firms like Anderson Clayton and Ralston Purina. Likewise, the nationalization of petroleum has not prevented U.S. penetration in major sectors of the petrochemical industry: as of 1960, U.S. corporations controlled 92% of Mexico's chemical industry and 81% of the pharmaceutical sector.<sup>53</sup> These are only two examples of the many ways in which an alliance of U.S. capitalists and the Mexican bourgeoisie have aborted the Revolution and institutionalized the Counterrevolution since the 1940's.

The Counterrevolution, financed in large part by U.S. capital, has resulted in an ever increasing concentration of wealth and power within the hands of the Mexican elite. According to even such an establishment source as World Bank President Robert McNamara, the poorest 40% of the Mexican population have seen their share of the national wealth shrink from 14% to 11% in the past 20 years, while the richest 10% now take over half.<sup>54</sup> Among the hundred richest Mexican families listed by economists Aguilar and Carmona, appear the names of those allied most closely to U.S. interests.<sup>55</sup> These families have made their fortunes over the past three decades by trading the well-being of the Mexican people for a profitable partnership with foreign capitalists.

The American Colony has played an important role in expanding U.S. influence in Mexico and in strengthening the Counterrevolution. Specifically, it performs a number of crucial functions which can be summarized as follows:

1. The American Colony overseas provides a global "tool kit" of human and technical resources necessary for the efficient operation of U.S. business throughout the world. In countries like Mexico where there is a scarcity of the skills and resources needed by modern capitalist enterprises, the Colony provides American lawyers, public accountants, advertising agencies, engineers, management training, economists, marketing research--whatever the multinational corporation may need. The existence of American Colonies around the world means that, like a tool kit, these resources can be moved easily about the Empire as the need dictates.

2. The Colony creates a sense of American community which reduces the psychological difficulties presented by the transient life-style of the Empire's managers and technicians. The existence of a strong, clearly defined, isolated American community is particularly important in generally hostile environments like Mexico where nationalism and anti-yanqui sentiments can be demoralizing to Americans. Concretely, the American Colony provides American social institutions which minimize the need for integration into a foreign society and which strengthen the ties with the U.S. The Colony provides a network of all the institutions necessary for the American way of life: American hospitals, schools, clubs, business organizations, churches, newspapers, and cemeteries. From birth to death, Americans can live abroad without ever really leaving the U.S.

3. The American Colony works to promote a positive image of the economic, social and cultural presence of the United States in Mexico. Through the media, charity activities, philanthropic foundations, and public works projects, Colony institutions attempt to justify U.S. penetration and domination within Mexico both to the host country and to themselves.

4. The Colony works actively to defend the interests of U.S. imperialism when the system comes under attack from within or from without. Colony institutions serve to socialize dissident or potentially disruptive elements within the American community. They also act as pressure groups on the U.S. government by lobbying against legislation viewed as harmful to U.S. business interests abroad. Within Mexico, the Colony tries to counter nationalist and socialist tendencies through propaganda campaigns directed at students and workers, through a U.S.-dominated media which bombards the public with anti-communism, and through its contacts with influential leaders in the Mexican public and private sectors.

5. The American Colony works to integrate Mexico ever further into the U.S.-dominated capitalist sphere. All Colony organizations cite as one of their goals the improvement of Mexican-American relations, which in practice means the strengthening of ties between the Mexican bourgeoisie and the American capitalist class. Americans in Mexico represent a minority group, yet unlike minority groups in other countries, Americans have not had to integrate themselves into Mexican society and institutions. Instead, they have created their own institutions and attempted to bring Mexican elites into them, pulling Mexico into the sphere of U.S. influence. The Mexican bourgeoisie looks at the American Colony, a caricature of upper-class American success, as a model for its goals and standards of behavior. Through social interaction in exclusive clubs, membership in American business organizations, involvement in American schools, and participation in the Colony's management training programs, significant sectors of the Mexican elite have come to emulate the ideology and life-style of the American capitalist. This fact decreases the need for overt control of Mexico by the United States, for it helps to assure that the national elite will cooperate in maintaining the structures of capitalism. The United States has learned that military domination alone does not assure the integration of foreign areas into the sphere of U.S. capitalism. Such integration requires the establishment of U.S.-style institutions -- economic, political, social and cultural -- throughout the world. The American Colony plays a key role in the construction and promotion of such institutions, and it is perhaps in this area that the Colony will exert its greatest long term influence on the development of Mexican society.

Clearly the presence of the American Colony is a serious threat to Mexican autonomy. Yet its very wealth and exclusivity also reveal certain weaknesses of the Colony itself. Particularly in contrast to the poverty pervading Mexico, the Colony is highly visible. It has become a "front line" of U.S. imperialism, a target of public demonstrations, bombings, bad publicity, and other attacks by anti-imperialist groups -- attacks seldom suffered by the policymakers back in Washington and Wall Street.

Research on American Colonies and the power structure in general is only one element in the long struggle against U.S. domination. This research can be effective in revealing the power bases, the dynamics, and the weak points of imperialism. Further study is necessary in every country where American Colonies, representing the interests of the American ruling class, work to subvert the legitimate aspirations of people in struggle.

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Footnotes on page 32.



## Secret U.S. Bomb School Exposed

# Police Terrorism in Latin America

By Michael Klare and Nancy Stein

When the new Costa-Gavras film State of Siege opened in commercial theaters in 1972 (a scheduled premier showing at the federally-funded J. F. Kennedy Arts Center was cancelled because of official displeasure), U.S. movie critics generally confined their comments to the "aesthetic" qualities of the film and avoided discussion of the movie's charges of U.S. complicity in right-wing police terrorism in Latin America. Now, over a year later, comes new evidence that State of Siege was unerringly accurate in its portrayal of U.S. counterinsurgency programs in Latin America.

At one point in the film, an Uruguayan police officer is shown receiving training in the manufacture and use of explosive devices at a secret training school in the Southwestern United States. Later, the same officer is linked to a rightist "Death Squad" implicated in multiple murders--some performed with explosives--of prominent Uruguayan radicals. For most American viewers, these scenes must have appeared as mere cinemagraphic flourishes in a controversial film. But State Department documents unearthed by Senator James Abourezk (D-S.D.) show beyond a doubt that the U.S. Government has trained foreign police officers in bomb design at a remote camp in Texas, and that at least 16 Uruguayan policemen received such training.

The existence of the Abourezk papers was first disclosed in Jack Anderson's syndicated column for October 8, 1973; subsequently, NACLA received a full set of the documents which were used in preparing the following story.

In a memorandum to Senator Abourezk, Matthew Harvey of the U.S. Agency for International Development (AID) acknowledged September 25, 1973 that AID's Office of Public Safety (OPS) provides instruction for foreign policemen in the design, manufacture and employment of home-made bombs and incendiary devices at the U.S. Border Patrol Academy in Los Fresnos, Texas. At least 165 policemen--mostly from Third World countries of Africa, Asia and Latin America--have taken this "Technical Investigations Course" since it was first offered in 1969. All costs of the training--rated at \$1,750 per student--are borne by AID.

According to the AID documents, students in the Technical Investigations Course first attend a four-week preliminary session at the International Police Academy (IPA) in Washington, D.C., where they are treated to lectures on such subjects as: Basic Electricity ("Problems involving electricity as applied to explosives are given"), Introduction to Bombs and Explosives ("A lecture/demonstration" on "the various types of explosives and explosive systems"), Incendiaries ("A lecture/demonstration of incendiary devices"), and Assassination Weapons ("A discussion of various weapons which may be used by the assassin").

After completion of the preliminary course, the "trainees" are flown to Los Fresnos for the four week "field sessions." Here, all lectures are delivered at an outdoor "laboratory" presided over by CIA instructors. Lecture/demonstrations encompass such topics as: Characteristics of Explosives; Electric Priming; Electric Firing Devices; Explosive Charges; Homemade Devices; Fabrication and Functioning of Devices; and Incendiaries. According to AID, these sessions include "practical exercises" with "different types of explosive devices and 'booby-traps.'" (In State of Siege, sample bombs are exploded in buildings, automobiles, and in a 'public plaza' filled with dummies.)

In its memo to Senator Abourezk, Harvey argues that the Technical Investigations Course was set up to help foreign policemen develop "countermeasures" against terrorist attacks on banks, corporations, and embassies. In order to develop countermeasures, however, the trainee must first study "home laboratory techniques" used "in the manufacture of explosives and incendiaries"--only then, according to AID's argument, will he be able "to take preventive action to protect lives and property."

Although Harvey stresses the "defensive" nature of the training program, he admits that the Department of Defense found the subject matter so inherently sensitive that it refused to provide instructors for the course--thus forcing AID to get help from the CIA. Indeed, once a "trainee" becomes proficient in bomb techniques, there is no stopping him from using them offen-

TABLE I:  
FOREIGN POLICEMEN TRAINED  
AT U.S. BOMB SCHOOL  
LOS FRESNOS, TEX.  
1969-73

Country:	Number Trained:
<b>LATIN AMERICA</b>	
Bolivia .....	3
Brazil .....	6
British Honduras .....	1
Colombia .....	19
Costa Rica .....	4
Chile .....	5
Ecuador .....	6
El Salvador .....	7
Guatemala .....	18
Guyana .....	1
Honduras .....	4
Jamaica .....	2
Mexico .....	2
Panama .....	7
Rep. Dominicana .....	4
Trinidad .....	5
Uruguay .....	16
Venezuela .....	3
<b>E. ASIA &amp; PACIFIC</b>	
Guam .....	1
Korea .....	3
Philippines .....	5
Thailand .....	10
Vietnam .....	1
<b>NEAR EAST &amp; S. ASIA</b>	
Afghanistan .....	1
Iran .....	2
Jordan .....	2
Pakistan .....	1
Saudi Arabia .....	6
<b>AFRICA</b>	
Kenya .....	3
Nigeria .....	2
Sudan .....	2
Tunisia .....	4
Zambia .....	6
<b>EUROPE</b>	
Germany .....	3
<b>TOTAL .....</b>	<b>165</b>

Source: U.S. Agency for International  
Development, memo to Senator J.  
Abourezk, Sept. 19, 1973.

sively--against criminal enterprises or, as in  
State of Siege--against opponents of the ruling  
oligarchy.

Such concern becomes justified when one examines a list of countries represented at the Texas bomb school: almost every country in Latin America is on the list, as are such conservative Middle Eastern nations as Saudi Arabia and Jordan. Prominent entries include Bolivia (3 students), Brazil (6), Guatemala (18), the Dominican Republic (4), Chile (5), Uruguay (16), Korea (3), Thailand (10), Iran (2), and the Philippines (5). (See Table I.) Indeed, there is mounting evidence that some Third World policemen (particularly in Latin America) are themselves engaged in terrorist activities, utilizing their U.S.-supplied training in vigilante assassination teams like La Mano Blanca (White Hand) and Ojo por Ojo (Eye for an Eye) in Guatemala, La Banda (The Band) in the Dominican Republic, and the "Death Squads" in Brazil and Uruguay.

It is generally acknowledged that the Death Squads are made up of "off duty" policemen and representatives of the civil and military intelligence services. ("The members of the Death Squad are policemen," Sao Paulo's top criminal judge affirmed in 1970, "and everyone knows it.") As depicted in State of Siege, these groups engage in kidnapping, torture, assassination and bombing; their victims range from petty criminals to students, folksingers, academicians, and political activists.<sup>2</sup> Week after week, the Latin American press announces the death of yet another body; some estimates of the number of persons executed by the Death Squads in Brazil exceed 1,500.<sup>3</sup> Frequently, the bodies of these victims are found with cards boasting of the work of the Death Squad--clearly the intent is to intimidate the population and discourage the development of any opposition to the established regime.<sup>4</sup>

The use of terrorism to intimidate Third World populations is considered an essential element of America's post-Vietnam strategy for social control in the Third World. Since it is obvious that the American public will not permit massive numbers of U.S. ground troops to be employed in future counterrevolutionary wars, the Nixon Administration seeks to eliminate all threats to pro-U.S. Third World regimes without deploying U.S. combat forces. By building up a powerful and ruthless police force in each country, the United States can insure that radical movements will be destroyed before they present a significant military threat. This "pre-emptive" strategy was described by Under Secretary of State U. Alexis Johnson in a 1971 speech to IPA graduates as follows: "Effective policing is like 'preventive medicine.' The police can deal with threats to internal order in their formative states. Should they not be prepared to do this, 'major surgery' may be required in the sense that considerable force would be needed to redress those threats. This action is painful and expensive and often disruptive in itself."<sup>5</sup>



With Johnson's words in mind, it comes as no surprise that the countries with the most active para-police assassination squads--Brazil, Guatemala, the Dominican Republic and Uruguay--are also the recipients of the largest U.S. police training grants in the region. (See Table II.)

U.S. involvement in the organization, training and equipping of Uruguay's Death Squad is abundantly described in the testimony of Nelson Bardesio--a police photographer and Death Squad member who was kidnapped and interrogated by Tupamaro guerrillas in 1972. In his testimony (which was recorded in the presence of the President of Uruguay's Chamber of Deputies), Bardesio affirmed that the Department of Information and Intelligence (DII)--a government agency which provided an official "cover" for the Death Squad--was set up with the advice and financial assistance of U.S. Public Safety Advisor William Cantrell. Bardesio also testified that Cantrell (who he sometimes served as chauffeur) made daily trips between the DII, Montevideo police headquarters and the U.S. Embassy to insure the steady transfer of intelligence data and effective coordination of extra-legal operations. As part of this process, U.S. Embassy personnel periodically solicited specific information from the DII for their own intelligence work.<sup>6</sup>

Bardesio also speculates that Cantrell was in fact working for the CIA--which is highly possible given the fact that ex-AID official David Fairchild revealed that the CIA used the Public Safety program in the Dominican Republic as a cover for six of its agents.<sup>7</sup> In addition to Cantrell, Bardesio identified other U.S. Embassy and Public Safety personnel as intelligence operatives who met regularly with members of the DII.

In his testimony (which served as the basis for several scenes in State of Siege) Bardesio named Uruguayan police officers and military officials who participated in specific Death Squad assassinations and bombings with the approval of government officials--including the Minister of the Interior. He also reported that the Death Squad had ample supplies of explosive materials

used in the manufacture of homemade bombs and booby traps.

The Brazilian Death Squads--notorious for the mutilation of their victims--are closely linked to the police and the military intelligence service and operate with the tacit approval of the military junta. For years no one dared testify against the Death Squad members, but in 1970 the incidence of murders increased dramatically: the "Ten for One" (reprisal) dictum had become a basic tenet of police work in Brazil, and, following the murder of a Sao Paulo police investigator, nearly 20 people were summarily executed by the police. After event, several dozen police officers were arrested and later convicted of murder and other terrorist crimes. During their trials, links were established between the Death Squads and numerous military officers, officials, and even a state governor. The investigation was finally suspended when witnesses implicated Sergio Fleury--a top officer of the political police--in Death Squad executions.<sup>8</sup> (Fleury, a leader in the campaign against Brazil's urban guerrillas, has been identified by hundreds of political prisoners as the man who supervised their torture.)<sup>9</sup>

Considering the extent of U.S. involvement in the Brazilian police apparatus, it is safe to assume that U.S. AID officials knew of and supported police participation in Death Squad raids against Leftists. The Public Safety program in Brazil has assisted in training locally over 100,000 federal and state police personnel, while an additional 600 high-ranking officers received training at the International Police Academy and other schools in the United States. In addition, the United States can take credit for the construction, equipping and development of curriculum, staff and faculty for Brazil's National Police Academy, National Telecommunications Center and National Institutes of Criminalistics and Identification.<sup>10</sup> In line with the Nixon Doctrine, it is likely that these institutions are also being expanded to take over the training of other Third World policemen because of the growing criticism of such training in the United States. Already the relationship between the



# U.S. Public Safety Program, 1961-72

(By Fiscal Year; Dollars in Thousands)

Region/Country	Expenditures	Officers Trained in U.S. <sup>b</sup>	U.S. Public Safety Advisors <sup>d</sup>
WORLDWIDE, Total ....	308,623	7,480	419
EAST ASIA, Total	212,487	1,600	352
Burma	195	-	-
Cambodia	2,583	-	-
Guam	-	3	-
Indonesia	10,121	240	-
Korea	7,432	47	-
Laos	4,567	61	9
Philippines	5,106	215	8
Thailand	88,436	561	39
Vietnam (S.)	94,047	439	196 <sup>c</sup>
Other Countries	-	34	-
N. EAST & S. ASIA	14,014	731	8
Greece	129	34	-
Iran	1,712	218	-
Jordan	2,536	65	-
Lebanon	149	15	-
Nepal	188	-	-
Pakistan	8,553	125	1
Saudi Arabia	-	75	7
Turkey	200	41	-
United Arab Rep.	312	97	-
CENTO/Region	235	61	-
AFRICA, Total	25,802	983	16
Cent. African Rep.	241	11	-
Chad	527	12	-
Dahomey	323	22	-
Ethiopia	2,924	116	-
Ghana	131	43	2
Ivory Coast	743	3	-
Kenya	697	16	-
Liberia	3,464	113	3
Libya	444	22	-
Malagasy Rep.	454	1	-
Niger	398	16	-
Nigeria	3,400	43	-
Somali Republic	4,560	125	-

Region/Country	Expenditures	Officers Trained	U.S. Advisors
Tunisia	924	118	1
Upper Volta	219	14	-
Zaire (Congo)	4,729	139	10
Other countries	1,624	169	-
LATIN AMERICA, Total	54,285	4,170	43
Argentina	120	84	-
Bolivia	2,141	119	2
Brazil	8,612	654	1
Chile	2,386	107	-
Colombia	6,584	446	5
Costa Rica	1,794	150	4
Dominican Rep.	4,091	206	3
Ecuador	3,715	229	3
El Salvador	2,040	220	1
Guatemala	4,480	373	7
Guyana	1,299	45	-
Honduras	1,625	102	3
Jamaica	695	72	1
Mexico	745	65	-
Nicaragua	224	28	2
Panama	1,979	336	3
Paraguay	-	21	-
Peru	4,142	151	-
Uruguay	2,188	141	4
Venezuela	3,375	583	4
Other countries	582	38	-
Regional costs	1,468	-	-
NON-REGIONAL	2,025	-	-

<sup>a</sup>Source: U.S. Agency for International Development, Operations Report, Data as of June 30, 1972; and previous editions.

<sup>b</sup>Includes training at the International Police Academy, the FBI Academy, and other schools.

<sup>c</sup>All U.S. police advisers were officially withdrawn under the terms of the Jan. 1973 peace settlement.

<sup>d</sup>Source: U.S. Congress, House Committee on Appropriations, Foreign Assistance Appropriations for FY 1973, Hearings, 92d Cong., 2d Sess., Part II, 1972, p. 805.





Uruguayan and Brazilian police forces is very strong, with one Brazilian diplomat offering to install equipment for direct radio communications between Brasilia and Montevideo.<sup>11</sup> In addition, according to Bardesio, two Uruguayan intelligence officials received Death Squad-type training in Brazil.

A macabre legend has emerged surrounding the operation of such para-police groups as "Ojo por Ojo", in Guatemala, "La Banda" in the Dominican Republic and other Death Squad organizations. Thus a recent article in a conservative Costa Rican newspaper called for the formation of a native Death Squad to deal with the growing criminal violence in that country.<sup>12</sup> Often, the pro-government press has portrayed the Death Squads as executing petty criminals in an effort to wipe out crime in the streets; but this myth only provides a cover for the kidnapping and assassination of political activists, and their sympathizers, while creating a climate of terror in the country.

Despite such obfuscation, there is a growing consciousness in Congress that the United States is deeply involved in political terrorism in Latin America. Thus in hearings on the Foreign Aid program, Senator Proxmire summed up the results of the Public Safety Program in Brazil as follows: "The biggest program we had was in Brazil, a program which went on for more than 10 years--at the end of a 10-year period we have an account of a death squad in which 15 police have been arrested."<sup>13</sup> In a report of U.S. aid programs to Guatemala and the Dominican Republic, Pat M. Holt, a staff assistant to the Senate Subcommittee on Western Hemisphere Affairs, reported that "The U.S. is politically identified with police terrorism." The police assistance program in Guatemala, where right-wing paramilitary organizations have run rampant for many years and have carried out nearly 1,000 murders, "has cost the United States more in political terms than it has gained in improved Guatemalan police efficiency." Holt concluded that the effect of the public safety program has been marginal.<sup>14</sup>

As a result of such findings, and the growing opposition to U.S. police programs abroad, Congress in December 1973 took the first steps toward abolition of the Public Safety program,

After defeating more decisive measures (the "Abourezk Amendment" calling for complete termination of all police programs), the legislature voted, in the Foreign Assistance Authorization Bill (S. 1443) to require an orderly phase-out of existing police training programs abroad and a ban on any new programs. The compromise measure failed to affect training at the International Police Academy, however, and it is already obvious that opponents of the Public Safety program will have to watch very carefully for Administration maneuvers designed to evade the intent of the bill. Nevertheless, passage of these restrictions indicates a new determination on the part of some Congresspeople to obstruct Administration efforts to strengthen the repressive forces of favored Third World dictatorships.

#### FOOTNOTES:

1. Nelson Fonseca, quoted in the Miami Herald, July 24, 1970.
2. For the script of State of Siege and supporting documents, see State of Siege (New York: Ballantine Books, 1973).
3. See: Jeff Radford, "The Brazilian Death Squads," The Nation, July 30, 1973, pp. 71-3.
4. "Rio's Death Squads," Newsweek, August 9, 1971.
5. U. Alexis Johnson, "The Role of Police Forces in a Changing World," Department of State Bulletin, September 13, 1971, p. 282.
6. Bardesio's testimony was inserted in the Uruguayan Congressional Record and subsequently published in Marcha (Montevideo), April 28, 1972. The material on U.S. involvement appears in: "Uruguay Police Agent Exposes U.S. Advisors," NACLA's Latin America & Empire Report, July-August, 1972, pp. 20-5.
7. "USAID in the Dominican Republic - An Inside View," NACLA's Latin America & Empire Report, November, 1970, pp. 1-10.
8. Charles Antoine, "Indicting the Death Squad and the Regime," Le Monde, Weekly English Edition, May 6-12, 1971; and, Joseph Novitski, "It Doesn't Pay to Take on the Death Squads," The New York Times, August 8, 1971.
9. "Tortures Continue Unabated," Brazilian Information Bulletin, August-September, 1971, p. 11.
10. "AID Police Plan for 1971-72," NACLA's Latin America & Empire Report, July-August, 1971, p. 18.
11. "Uruguay Police Agent," p. 25.
12. El Grafico (Guatemala City), October 30, 1973.
13. U.S. Senate, Committee on Appropriations, Foreign Assistance and Related Programs Appropriations for Fiscal Year 1972, Hearings, 92d Cong., 1st Sess., 1971, p. 748.
14. The Washington Post, January 3, 1972. For full text of the report, see: U.S. Senate, Committee on Foreign Relations, Guatemala and the Dominican Republic, Staff Memorandum, 92d Cong., 1st Sess., 1971.

## Explosive Growth in U.S. Weapons Exports

# Dealing Arms in the Third World

In the January 1972 issue of the Report, NACLA noted that as Congress reduced spending on the Military Assistance Program (MAP), the Nixon Administration was increasingly pressuring Third World countries to "arm now - pay later" under the credit system of the Foreign Military Sales (FMS) program. Using 1970 and 1971 data, we showed that U.S. arms sales to the Third World had reached parity with MAP spending (FMS sales to underdeveloped countries totalled \$1,275 million in 1970-71 while MAP grants came to \$1,240 million), and predicted a "dramatic rise in FMS sales in coming years." Now, two years later, it is clear that even our wildest predictions of 1972 failed to register the phenomenal growth in military exports to the Third World:

U.S. FOREIGN MILITARY SALES TRENDS, 1950-1972<sup>a</sup>  
(By Fiscal Year; Dollars in millions)

Region	1950-69	1970-72	1950-72
<b>UNDERDEVELOPED</b>			
NATIONS, Total.....	2,770	3,992	6,762
East Asia <sup>b</sup> .....	185	310	495
Latin America.....	448	258	706
Near East & S. Asia	1,834	3,189	5,023
Africa.....	64	68	132
Spain & Portugal...	239	167	406
<b>DEVELOPED NATIONS,</b>			
Total.....	8,880	2,505	11,385
Europe <sup>c</sup> .....	6,655	1,976	8,631
Australia, Japan, New Zealand.....	1,167	325	1,492
Canada.....	822	109	931
NATO.....	236	95	331
<b>TOTAL.....</b>	<b>11,650</b>	<b>6,497</b>	<b>18,147</b>

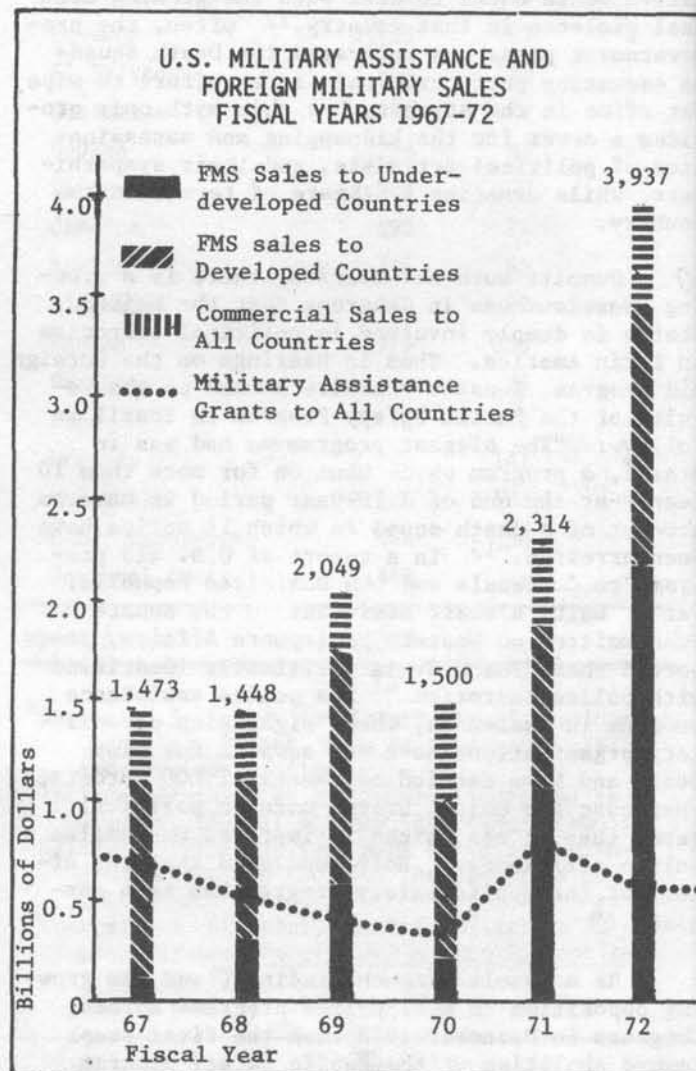
<sup>a</sup>Source: U.S. House Committee on Foreign Affairs Mutual Development & Cooperation Act of 1973, Hearings, 93rd Cong., 1st Sess., 1973, pp. 130-8. (Excludes commercial cash sales.)

<sup>b</sup>Excludes Australia, Japan, New Zealand.

<sup>c</sup>Excludes Spain and Portugal.

in Fiscal 1974, with Defense Department officials predicting a record-breaking military sales total of \$5.4 billion worldwide (of which 60 percent represents sales to Third World nations), FMS deliveries are running at a rate eight times greater than MAP grants.

Not surprisingly, the explosive growth in military sales to underdeveloped countries has been accompanied by changes in U.S. foreign policy. Whereas previous Administrations had held that military exports should be carefully screened to prevent needless Third World expenditures on non-developmental programs, and to





prevent local arm races from erupting in war, the Nixon Administration argues that any such controls are self-defeating since these countries will buy arms anyway--if not from us, then from Europe or the USSR--and that American interests are best served by selling to anyone who can make the down payments.<sup>2</sup> "Despite all arguments to the contrary," Deputy Secretary of Defense William P. Clements told Congress in announcing the 1974 sales target of \$5.4 billion, "foreign military sales in this magnitude, and even a larger magnitude, are fully consistent with our national interest. The importance attached by the Nixon Doctrine to encouraging the military self-reliance of our free world partners makes it axiomatic that nations having the necessary economic capability should procure their own military equipment and services for cash or credit on appropriate terms."<sup>3</sup> (Emphasis added.)

During subsequent questioning by members of the House Armed Services Committee, Clements and his aides indicated that there were other compelling arguments for accelerating U.S. military sales to the Third World: first, that such sales can contribute significantly to the reduction of America's balance-of-payments deficit; second, that such sales will insure full production (and thus full employment) in the U.S. aerospace industry despite the slowdown in Defense procurement occasioned by the cease-fire in Vietnam; and third, that credit-assisted sales enable us to continue providing arms for friendly Third World governments without requiring direct subsidies from the declining foreign

aid program. Any restriction on U.S. military exports, Clements argued, "decreases the potential contribution of sales . . . to strengthening both free world security and the U.S. economy and balance-of-payments position."<sup>4</sup> (Emphasis added.)

The Administration's new policies were given dramatic emphasis in the early summer of 1973, when, in a series of three decisions, the White House shattered every existing constraint on arms sales to the Third World:

--First, on May 26, the Pentagon confirmed that the Administration had agreed to sell advanced armaments, including F-4 Phantom fighter-bombers and F-5E supersonic jets, to Kuwait and Saudi Arabia--both of which have provided funds and military support to the Arab forces battling Israel.<sup>5</sup>

--Next, on June 5, Secretary of State William P. Rogers announced that President Nixon would exercise his option--under an obscure provision of the Foreign Military Sales Act--to waive Congressional restrictions on the sale of "sophisticated" military hardware to Latin America, and would authorize sales of the F-5E supersonic fighter to Argentina, Brazil, Colombia, Venezuela and, surprisingly, to Chile (still at that time ruled by the Marxist government of Salvador Allende).<sup>6</sup>

--Finally, in the last week of July, Shah Muhammad Raza Pahlavi of Iran was flown to the United States to select first-hand the weapons

U.S. MILITARY ASSISTANCE AND FOREIGN MILITARY SALES TRENDS, FISCAL YEARS 1967 - 1973  
(By Fiscal Year; Dollars in Millions)

Program Category	1967	1968	1969	1970	1971	1972	1973 <sup>c</sup>
FMS Sales: Underdev'd Nations <sup>a</sup>	128	299	515	227	1,048	2,001	n.a.
FMS Sales: Developed Nations <sup>a</sup>	966	784	1,170	688	834	1,421	n.a.
FMS Sales: NATO, Int'l Orgs. <sup>a</sup>	34	30	34	19	15	40	n.a.
FMS Sales, Total <sup>a</sup>	1,128	1,113	1,720	933	1,898	3,462	4,040
Commercial Sales <sup>c</sup>	345	335	329	567	416	475	569
MILITARY SALES, Total <sup>a,c</sup>	1,473	1,448	2,049	1,500	2,314	3,937	4,609
MAP Aid: Underdev'd Nations <sup>b</sup>	692	622	539	520	875	647	n.a.
MAP Aid: All Countries <sup>b</sup>	757	646	560	523	879	651	774

n.a. = not available

<sup>a</sup>Source (except 1973 data): U.S. Department of Defense, Military Assistance and Foreign Military Sales Facts (Washington, D.C., 1971); and, U.S. Congress, House Committee on Foreign Affairs, Mutual Development and Cooperation Act of 1973, Hearings, 93rd Cong., 1st Sess., 1973, pp. 130-8.

<sup>b</sup>Source (Except 1973 data): U.S. Agency for International Development, U.S. Overseas Loans and Grants, July 1, 1946-June 30, 1972 (Washington, 1973). Includes Military Assistance Program (MAP) grants plus transfers of "excess" defense articles.

<sup>c</sup>Source: U.S. Congress, Senate Committee on Foreign Relations, Foreign Assistance and Related Programs Appropriations for Fiscal Year 1974, Hearings, 93rd Cong., 1st Sess., 1973, Part II, p. 1434.

# U.S. Foreign Military Sales, 1950-72<sup>a</sup>

(By Fiscal Year; dollars in millions)

Region & country:	1950-69	1970-72	1950-72
<b>WORLDWIDE, Total</b>	<b>11,649.9</b>	<b>6,496.7</b>	<b>18,146.5</b>
<b>E. ASIA, Total</b>	<b>1,352.8</b>	<b>634.5</b>	<b>1,987.3</b>
Australia	835.7	214.0	1,049.6
Burma	2.0	0.3	2.2
China (Taiwan)	121.8	208.4	330.3
Japan	235.3	95.4	330.7
Korea (South)	5.2	34.8	40.0
Malaysia	16.3	13.8	30.1
N. Zealand	96.5	15.3	111.8
Philippines	5.8	2.5	8.3
Singapore	20.0	10.6	30.7
Thailand	5.1	39.4	44.5
Other	9.2	*	9.2
<b>NEAR EAST, S. ASIA</b>	<b>1,833.8</b>	<b>3,189.5</b>	<b>5,023.3</b>
Greece	60.7	268.9	329.6
India	83.0	3.5	86.5
Iran	765.6	1,036.3	1,801.9
Iraq	13.2	-	13.2
Israel	367.8	1,349.0	1,716.8
Jordan	136.1	65.6	201.7
Lebanon	2.7	12.3	15.1
Pakistan	88.9	46.1	134.9
S. Arabia	311.0	382.5	693.5
Turkey	4.6	25.3	29.9
Other	0.3	*	0.3
<b>LATIN AMERICA</b>	<b>447.5</b>	<b>257.9</b>	<b>705.4</b>
Argentina	99.5	56.8	156.2
Bolivia	0.9	0.1	1.0
Brazil	99.7	75.5	175.2
Chile	42.5	23.2	65.7
Colombia	11.2	15.3	26.5
Cuba (1950-59)	4.5	-	4.5
Dominican Rep.	1.9	0.1	1.9
Ecuador	4.3	0.3	4.6
El Salvador	1.5	*	1.5
Guatemala	3.0	12.4	15.4
Honduras	1.1	*	1.1
Mexico	11.9	0.9	12.8
Nicaragua	2.2	1.0	3.3
Peru	49.5	5.0	54.5

Region & Country:	1950-69	1970-72	1950-72
Uruguay	2.8	7.6	10.4
Venezuela	109.6	59.6	169.1
Other	1.5	0.2	1.7
<b>AFRICA, Total</b>	<b>64.5</b>	<b>67.7</b>	<b>132.2</b>
Liberia	1.3	2.0	3.3
Libya	21.1	9.8	30.9
Morocco	31.3	32.3	63.6
Nigeria	0.4	1.0	1.4
So. Africa	3.1	*	3.1
Sudan	1.5	-	1.5
Tunisia	3.0	2.2	5.2
Zaire (Congo)	1.5	19.8	21.4
Other	1.2	0.6	1.8
<b>EUROPE, Total</b>	<b>6,894.3</b>	<b>2,143.4</b>	<b>9,037.7</b>
Austria	55.6	6.3	61.9
Belgium	124.1	15.8	139.9
Denmark	75.2	40.5	115.7
France	324.2	15.6	339.9
Germany	3,714.9	1,387.2	5,102.1
Italy	437.5	146.5	583.9
Luxembourg	1.9	0.3	2.2
Netherlands	126.0	44.9	171.0
Norway	168.5	57.7	226.1
Portugal	7.6	6.8	14.3
Spain	201.1	164.6	365.7
Sweden	37.8	2.7	40.4
Switzerland	95.2	35.4	130.6
United Kingdom	1,513.3	217.9	1,731.2
Yugoslavia	11.4	0.5	11.9
Other	*	0.8	0.8
Canada	821.6	109.1	930.6
NATO & Int'l Orgns.	235.5	94.6	330.0

<sup>a</sup> Source: U.S. Congress, House, Committee on Foreign Affairs, Mutual Development and Cooperation Act of 1973, Hearings, 93rd Cong., 1st Sess., 1973, pp. 330-8. Includes sales by the U.S. Dept. of Defense and commercial sales backed by Dept. of Defense loan guarantees. Excludes direct commercial cash sales.

\* Less than \$50,000.



his government would acquire in a \$2.5 billion "buying spree"—the largest arms deal ever negotiated. While in the U.S., the Shah became the first foreigner to be invited to place orders for America's newest jet aircraft—the F-14 and F-15 air-superiority fighters—in the first instance of a Third World nation being allowed to buy a new advanced weapon before our NATO allies.

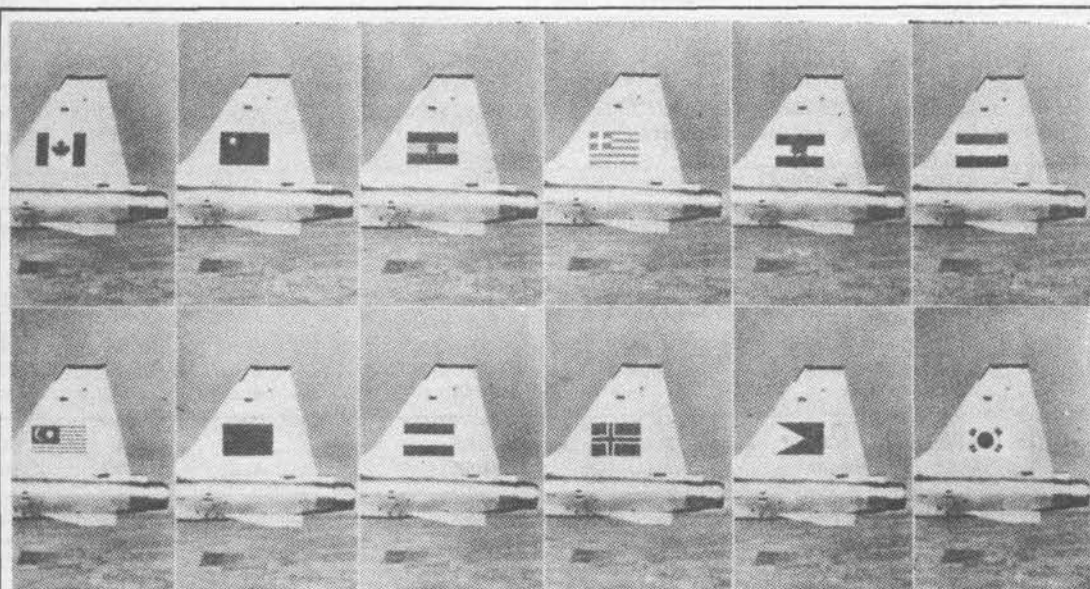
The phenomenal growth of U.S. arms sales to Third World areas is eloquently documented in the raw statistics provided Congress by the Department of Defense. By doing a few simple calculations using this data, one makes the startling discovery that U.S. military exports to underdeveloped countries over the past three years (\$4.0 billion for Fiscal Years 1970-72) are nearly one and a half times greater than all such sales for the preceding twenty years (\$2.8 billion Fiscal 1950-69). On a per annum basis, this works out to \$1.3 billion yearly for 1970-72, as compared to only \$140 million per year for 1950-69. Equally striking is the fact that sales to underdeveloped countries in 1970-72 were sixty

percent greater than sales to the developed countries. These ominous trends are graphically displayed in the accompanying tables and charts.

—M. Klare

#### FOOTNOTES:

1. "Arms Sales to the Third World," NACLA's Latin America Report, January, 1972, pp. 2-8.
2. For discussion and references, see Michael Klare, War Without End: American Planning for the Next Vietnams (New York: Knopf, 1972), pp. 283-7.
3. U.S. Congress, House, Committee on Foreign Affairs, Mutual Development and Cooperation Act of 1973, Hearings, 93rd Cong., 1st Sess., 1973, p. 110. (Hereinafter cited as Mutual Development 1973.)
4. Ibid.
5. Aviation Week & Space Technology, June 11, 1973, p. 30.
6. The New York Times, June 6, 1973.
7. The New York Times, July 19, 22, 26, 1973.
8. Mutual Development 1973, pp. 130-8.



## They tell our tale.

The tails of eighteen F-5 Freedom Fighters. Each representing the air force of a free world nation.

The story is 1,128 F-5 Fighters built so far since 1964. Proven in combat. Praised by pilots. By ground crews. And by the people who budget defense spending.

Because we designed the F-5 lean...precisely for their needs. By applying technology as a creative tool, we simplified. Improved performance. Made the F-5 make economic sense.

The F-5 Freedom Fighter proves our concept works. So do the 450 commitments we already have for the newly-minted F-5E Tiger II International Fighter (right).



And so do the new contenders we're bringing up now: The U.S. Air Force's YF-17. The multi-nation P530 Cobra.

Now, more than ever, the toughest family of light fighters in the world.

Flags shown identify F-5 users and do not necessarily represent actual tail markings of these nations. The countries are, from top left: Canada, Republic of China, Ethiopia, Greece, Iran, Libya, Malaysia, Morocco, Netherlands, Norway, Philippines, South Korea, South Vietnam, Spain, Thailand, Turkey, U.S.A., Venezuela.

# NORTHROP

# Major U.S. Arms Transfers To Foreign Countries, 1971-73<sup>a</sup>

Compiled by M. Klare / NACLA

(Note: parantheses indicate approximation. Abbreviations at end of table.)

Recipient	Quantity	Item	Comment	Date Ordered	Date Delivered	Source
<b>Latin America</b>						
Argentina	8	Bell 205A-1 utility helicopter		n.a.	1971	SY72
	4	Sikorsky S-61D4 ASW helicopter		Jul 71	1972	MB72/3
	8	Hughes 500M light helicopter		n.a.	1971	SY72
	48	McD-D A-4B Skyhawk attack plane	ex-USN; 16 delivered 1972 for aircraft carrier 25 de Mayo	1970	1972-3	AWST, 4-9-73; SY73
	3	Lockheed C-130E Hercules cargo plane		1970	1971-2	SY73
	3	Fairchild-Hiller Turbo-Porter STOL transport plane	For Navy use	n.a.	1971	SY72
	2	Ocean-going tugs	Ex-USN	n.a.	1972	IDB, 5-73
	2	Destroyers	Ex-USN	n.a.	Jul 72	IDB, 5-73
	2	Patrol boats, 689 t. displmt.			1972	SY72
Brazil	6	Sikorsky S-61 ASW helicopter		n.a.	(1972-3)	AWST, 5-28-73
	22	Bell UH-1 Iroquois helicopter	For carrying troops; 8 delivered Jan 73	n.a.	(1972)	AWST, 5-28-73; IDB, 5-73
	48	Northrop F-5E Int'l Fighter	Cost: \$100 m.	May 73	n.a.	AWST, 6-4-73
	25	Cessna T-37C trainer aircraft		n.a.	Jan 72	IDB, 5-73
	1	Destroyer	Ex-USN	n.a.	1972	IDB, 5-73
	3	Submarine, Guppy-II class	Ex-USN	n.a.	1972	SY73
Chile	20	McD-D A-4B Skyhawk attack plane	Ex-USN; delivery pending from US surplus stocks	1973	n.a.	AWST, 5-14-73
	3	Lockheed C-130E Hercules cargo plane	Purchased with \$5 m. FMS credits	Jun 71	1 72	SY72
	?	Cessna A-37B Dragonfly COIN aircraft		1973	n.a.	AWST, 7-30-73
	1	Ocean-going tug, 1235 t. displmt.	Loan; ex-USN	n.a.	Jul 71	SY72
	1	Naval tanker	Ex-USN	n.a.	1972	IDB, 5-73
Colombia	1	Destroyer, Sumner class, 2200 t. dis.	Ex-USN	n.a.	Jul 72	SY73
	1	Destroyer-escort	Ex-USN	n.a.	1972	IDB, 5-73
Dominican Rep.	1	Ocean-going tug, ATA class	Ex-USN	n.a.	Feb 72	IDB, 5-73
Ecuador	2	Fairchild-Hiller Turbo-Porter STOL transport plane		1971	Jun 71	SY72
Guatemala	(6)	Cessna A-37 COIN aircraft		n.a.	1971	SY72
	?	Bell 205A-1 utility helicopter		n.a.	1971	SY72
Haiti	4	Helicopters		1971	(1972)	SY73
	6	Coast Guard vessels, 100 t. displmt.	Cost: \$1.2 m.	1971	(1972)	SY73
Honduras	(4)	Cavalier P-51 Mustang COIN plane	{ To replace losses in 1969 war with El Salvador	n.a.	1971	SY72
	2	Douglas B-26 Invader bombers		n.a.	1971	SY72
Jamaica	1	Bell 206A Jet Ranger helicopter		n.a.	1971	SY72
Mexico	5	Bell 205A-1 utility helicopter		Nov 72	1973	SY73
	5	Bell 206B Jet Ranger helicopter		Nov 72	1973	SY73
Panama	1	Douglas DC-6 transport plane		n.a.	Jan 71	SY72
Paraguay	12	Bell H-13 Sioux lt. obs. helicopter	MAP grant	n.a.	Mar 72	SY73
Peru	13	Bell UH-1 Iroquois helicopter		Apr 72	Mar 73	IDB, 5-73
	24	Cessna A-37B Dragonfly armed trainer	Armed for COIN	1973	n.a.	AWST, 7-30-73
	?	Beech T-42A trainer aircraft		n.a.	1972	IDB, 5-73



# Arms Transfers

Recipient	Quantity	Item	Comment	Date Ordered	Date Delivered	Source
Uruguay	1	Destroyer-escort	Ex-USN	n.a.	1972	IDB 5-73
Venezuela	16	Rockwell OV-10E Bronco COIN aircraft	Purchased with \$4.2 m. FMS credits	Dec 71	1973	MB72/3;SY73
	12	Rockwell T-2D armed trainer	Cost: \$5.2 m.	Apr 72	1973	MB72/3;SY73
	100	Raytheon AIM-9 Sidewinder A/A missile		Feb 72	n.a.	IDB,5-73
	1	Destroyer	Ex-USN	n.a.	Jul 72	IDB,5-73
	1	Submarine	Ex-USN	n.a.	Jan 72	IDB,5-73

## Near East & So. Asia

Greece	36	McD-D F-4 Phantom fighter-bomber	\$150 m. FMS credits	Mar 72	1973-74	MB72/73;SY73
	2	Destroyers	Ex-USN	Sep 71	Apr 74	MB72/73;SY73
Iran	287	Bell 214A troop-carrying helicopter	\$502 m. contract signed June 1973 These sales are part of a \$2.5 billion arms deal announced Feb. 1973--the biggest arms sale ever negotiated. Cost: \$62.5 m. Cost: \$2.5 m. First sale outside the U.S. Cost: \$15 m. Ex-USN	Jun 73	1974-79	AWST,7-2-73; SY73
	202	Bell AH-1J Cobra helic. gunship				
	141	Northrop F-5E International Fighter				
	32	McD-D F-4 Phantom fighter-bomber (in addition to 64 previously sold)				
	50	McD-D F-15 Air Superiority fighter		(1973)	n.a.	AWST,8-27-73
	36	Grumman F-14A Air Superiority fighter		(1973)	n.a.	AWST,8-27-73
	4	Lockheed P-3C Orion ASW patrol plane		Sep 72	1974	IDB,10-72
	6	Boeing 707-329 tanker-transport				
	3	NAR Turbo Commander utility plane		n.a.	1972-73	SY73
	6	NAR Aero-Commander Shrike light plane				
	(2,500)	Hughes Maverick TV-guided A/S guided missile for F-4s		(1973)	n.a.	AWST,6-18-73
	?	Hughes TOW antitank missile		1971	1971-73	SY73
	1	Destroyer, "Sumner" class, 2200-t. displacement		(1971)	1972	SY73
Israel	42	McD-D F-4 Phantom fighter-bomber	These items represent part of the 50,000 tons of war supplies rushed to Israel during the Oct. 1973 war. The Nixon Admin. plans arms shipments worth \$2.2 billion to Israel in 1974+	Feb 72	1972-74	NYT,2-11-72; SY73
	90	McD-D A-4 Skyhawk attack plane				
	?	M-107 SP 175-mm. howitzer		Apr 72	(1972)	MB72/3
	(30+)	McD-D F-4 Phantom fighter-bomber				
	6+	McD-D A-4 Skyhawk attack plane				
	150+	M-60 medium tank		Oct 72	Oct 72	AWST,10-22-73; Business Week, 10-20-73
	2,000	Hughes TOW antitank missile				
Jordan	24	Northrop F-5A and F-5E fighters	MAP grant	1972	1973+	MB72/3;SY73
	4	Fairchild-Hiller C-119K cargo plane		n.a.	1972-73	SY73
	90	M-60 medium tank	MAP grant	1971	1971	MB72/3
	200	M-113 APCs	MAP grant	1972	1974	MB72/3;SY73
Kuwait	30	LTV F-8 Crusader jet fighter	Part of an est. \$500 m. arms deal	(1973)	n.a.	NYT,5-26-73
	(160)	M-60 medium tanks				
	2	Lockheed C-130 Hercules cargo plane		n.a.	Apr 71	SY72
Saudi Arabia	(100)	Northrop F-5E International Fighter	\$130 m. deal for 1st 30 F-5Es and the F-5Bs signed 9-71	1971	1974+	AWST,11-12-73
	20	Northrop F-5B trainers				
	20-30	Westland-Sikorsky S-61 troop-carrying helicopter		n.a.	(1973)	AWST,9-17-73
	10	Lockheed C-130 Hercules cargo plane		n.a.	1968+	AWST,11-12-73
	4	Lockheed KC-130 tanker aircraft		1972	n.a.	IDB,10-72
Sri Lanka	4	Bell 204A Jet Ranger helicopter	MAP grant, \$3 m.	n.a.	Apr 72	SY73
Turkey	42	Northrop F-5E International Fighter	\$200 m. FMS credits	Apr 72	n.a.	MB72/3
	40	McD-D F-4 Phantom fighter-bomber		Aug 72	1973-75	SY73
	12	Grumman S-2 Tracker ASW patrol plane		Jun 71	1972	SY73
	5	Beech T-42A trainer aircraft	MAP grant	n.a.	1971	SY72
	400	M-48 Patton tank	Ex-U.S. Army	1972	1972+	SY73
	2	Destroyers	Ex-USN	n.a.	1972	IDB,2-73
	3	Submarines, "Guppy" class	Ex-USN	n.a.	1972	SY73
	7	Gunboats, 225 t. displmt.		n.a.	(1971-72)	SY73

# Arms Transfers

## East Asia & Pacific

Recipient	Quantity	Item	Comments	Date Ordered	Date Delivered	Source
Australia	30	Bell UH-1 Iroquois utility helicopter		Oct 71	n.a.	MB72/3
	75	Bell 206A Jet Ranger helicopter		May 72	1973	MB72/3
	12	Boeing-Vertol CH-47C Chinook helicopter		Mar 72	1973	MB72/3
	24	Gen. Dynamics FB-111 Swing-wing fighter-bomber	Original 1963 price set at \$125 m; now will cost \$344 m.	Oct 63	Mar 73	WSJ,3-13-73
Burma	12	Cessna T-37C armed trainer	For COIN use	n.a.	(1971)	SY72
Cambodia	(20)	Bell UH-1 helicopter gunships	Ex-U.S. Army	1973	1973	NYT,6-2-73
	6	Bell 205A-1 helicopters	MAP grant		(1970)	SY72
	?	NAR T-28 trainer aircraft	MAP grant; replaces 10 destroyed Jan. 1971	1971	(1971)	SY72
	20	Douglas A-1 Skyraider	MAP grant	n.a.	Nov 1972	SY73
	2	Cessna L-19 Bird Dog spotter planes	MAP grant	n.a.	Nov 1972	SY73
Indonesia	(16)	Lockheed T-33 trainer aircraft	MAP grant	n.a.	(1972)	SY73
Japan	11	Bell/Fuji UH-1H utility helicopter	Assembled in Japan; Cost: \$850,000 ea.	n.a.	(1972)	AWST,2-7-72
	15	Hughes/Kawasaki OH-6J light helic.	Assembled in Japan	n.a.	(1972)	AWST,2-7-72
	48	Hughes TH-55 helicopter trainer		Nov 71	(1976)	MB72/3
	6	Sikorsky/Mitsubishi ASW patrol helic.	Assembled in Japan	n.a.	(1972)	AWST,2-7-72
	6	Boeing-Vertol/Kawasaki medium helic.	Assembled in Japan; cost: \$1.7 m. ea.	n.a.	(1972)	AWST,2-7-72
	186	McD-D F-4EJ Phantom fighter-bomber	158 to be built in Japan under license	1970-71	1974-77	MB72/3
	14	McD-D RF-4E recon. plane	Cost: \$6.5 m. each	(1972)	n.a.	AWST,2-7-72
	8	Lockheed/Kawasaki P-2J Orion ASW patrol plane	Assembled in Japan; Cost: \$5.5 m. each	(1972)	n.a.	AWST,2-7-72
	108	Raytheon Hawk S/A missile	Cost: \$43.2 m.	(1972)	n.a.	AWST,2-7-72
	65	McD-D/Mitsubishi Nike-Hercules S/A missile	Cost: \$28 m.	(1972)	n.a.	AWST,2-7-72
	80	Raytheon/Mitsubishi Sparrow-3 A/A missile	Cost: \$6 m.	(1972)	n.a.	AWST,2-7-72
Malaysia	100	Cadillac-Gage Commando amphibious APC		n.a.	(1972)	IDB,10-72
	16	Northrop F-5E International Fighter	Cost: \$35 m.	Jul 72	1973-75	SY73
Philippines	(10)	Cessna T-41D trainer aircraft		n.a.	1972	SY73
Singapore	40	McD-D A-4 Skyhawk attack planes	Ex-USN	Sep 72	n.a.	AWST,4-9-73
South Korea	16	McD-D F-4 Phantom fighter-bomber	To replace F-5s sent to S. Vietnam 11-72	1972	n.a.	SY73
	12	Northrop F-5E International Fighter	MAP grant	1972	n.a.	MB72/3
	10	Grumman G-89 Tracker ASW patrol plane		Jan 71	1971	SY72
	2	Destroyers	ex-USN	Apr 72	n.a.	SY73
	2	Coastal minesweepers, 320 t. displmt.	MAP grant	n.a.	Jun 71	SY72
	3	Patrol boats	FMS credit, \$16 m.	n.a.	1973-74	IDB,9-72
South Vietnam	78	Northrop F-5E International Fighter	MASF grant	Mar 72	1973-75	SY73;MB72/3
	(650)	River and coastal vessels	Ex-USN	n.a.	1970-73	SY72
	(450)	M-48 medium tanks	Most of this equipment is ex-U.S. hardware delivered to S. Vietnam free of charge under the MASF program. Most deliveries were made in the period June 1972-Jan. 1973 following the May 1972 enemy offensive and prior to the Jan. 73 peace settlement.			
	(1,100)	M-113 APCs				
	(1,500)	Self-propelled howitzers				
	(750,000)	M-16 rifles				
	20	Douglas A-1 Skyraider attack plane (72 had been delivered previously)			1972-73	IDB,12-11-72; SY73
	90	Cessna A-37A COIN attack plane (168 previously delivered)				
	20	AC-119 gunship aircraft				
	32	Lockheed C-130 Hercules transport				
	125	Northrop F-5A/B attack plane (borrowed from Iran, S. Korea, Taiwan)				
	270	Bell UH-1 Iroquois utility helic.				
	?	EC-47 electronic warfare planes				
Taiwan	6	Hughes OH-6A light observation helic.	MAP grant	(1970)	n.a.	SY72
	74	Bell 205A-1 utility helicopter	Assembled in Taiwan	1969	1971+	SY73
	?	Northrop F-5E International Fighter	Will include replacements for F-5s sent to S. Vietnam	Mar 72	1972-75	MB72/3



## Arms Transfers

Recipient	Quantity	Item	Comments	Date Ordered	Date Delivered	Source
Taiwan	9	Grumman S-2A Tracker ASW patrol plane		n.a.	(1971)	SY72
	50	Pazmany PL-1 light aircraft	Assembled in Taiwan	1968	1970-72	SY73
	1	Oceanographic ship, 6090 t. displmt.	Ex-USN	n.a.	Apr 72	SY73
	1	Repair ship, 5766 t. displmt.	Ex-USN	n.a.	Mar 72	SY73
Thailand	16	NAR OV-10 Bronco COIN aircraft	\$5.8 m. FMS credit	1972	1973	SY73
	32	McD-D A-4 Skyhawk attack plane	Ex-USN	(1973)	n.a.	AWST, 5-28-73
	(30)	Northrop F-5E International Fighter		Mar 72	1973-75	MB72/3
	17	Douglas A-1 Skyraider COIN aircraft	MAP grant	Jul 72	n.a.	NYT, 7-11-72
	10	River patrol craft	MAP grant	n.a.	1972	SY73
	2	Frigate, 900 t. displmt.		1969	n.a.	SY73

## Africa

Ethiopia	3	Northrop F-5A Freedom Fighter plane		n.a.	1972	SY73
Ghana	2	Bell 212 Twin-Pac helicopter		n.a.	1972	SY73
Libya	10	Boeing-Vertol CH-47C Chinook medium helicopter	Deal reported under- way 7-73 would be first US sale to rad- ical Arab state.	Jul 72	n.a.	AFJ, 7-73
Uganda	6	Bell 212 Twin-Pac helicopter		n.a.	1971	SY72

## Europe

Belgium	?	LTV Lance S/S missile		Jun 73	n.a.	NYT, 6-7-73
Germany	175-225 (600)	McD-D F-4E Phantom fighter-bomber LTV Lance S/S missile	Cost: \$1 billion Cost: \$300 m. --These sales are designed to offset U.S. spending on US troops in Germany	Sep 71 Jun 73	1974-75 n.a.	AFJ, 4-5-71 NYT, 6-7-73
Italy	2 5,000 ? 2	McD-D DC-9 militarized transport Hughes TOW antitank missile LTV Lance S/S missile Submarines		(1973) Apr 1972 (1973) Mar 72	n.a. 1972+ n.a. 1972-73	AWST, 5-28-73 MB72/3 NYT, 6-7-73 MB72/3
Portugal	1	Repair ship, 1200-t. displmt.	Ex-USN	n.a.	Jan 72	SY73
Spain	6 4 8 1	Boeing-Vertol CH-47C Chinook helic. Lockheed P-3 ASW patrol plane Hawker-Siddeley AV-8A Harrier VTOL fighter Guided-missile frigate, "Brooke" class	Cost: \$18 m.  Built in Britain; modified in U.S. Built in Spain under U.S. supervision	(1972) n.a. Aug 73 n.a.	n.a. 1973 1975-76 1972	IDB, 9-72 AWST, 8-20-73 AWST, 8-20-73 IDB, 5-72
United Kingdom	? (240)	Mk46 torpedo LTV Lance S/S missile	Cost: \$120 m.	Dec 71 Jun 73	n.a. n.a.	MB72/3 NYT, 6-7-73

<sup>a</sup>For a table of U.S. arms transfers, 1968-71, see NACLA's Latin America Report, January, 1972.

### Abbreviations:

A/A = air-to-air  
APC = armored personnel carrier  
A/S = air-to-surface  
ASW = antisubmarine warfare  
COIN = counterinsurgency  
dis., displmt. = displacement  
est. = estimated  
FMS = Foreign Military Sales  
program  
helic. = helicopter  
lt. obs. = light observation  
MAP = Military Assistance Program

MASF = Military Assistance,  
Service-Funded  
m. = million  
McD-D = McDonnell-Douglas  
NAR = North American Rockwell  
n.a. = not available  
recon. = reconnaissance  
S/A = surface-to-air  
SP = self-propelled  
S/S = surface-to-surface  
t. = ton  
USN = U.S. Navy

### Sources:

AFJ = Armed Forces Journal  
AWST = Aviation Week & Space Technology  
IDB = International Defense Business  
MB72/3 = International Institute of Strategic  
Studies, The Military Balance,  
1972-73 (London, 1972)  
NYT = The New York Times  
SY72 = Stockholm International Peace Re-  
search Institute, SIPRI Yearbook,  
1971-72 (Stockholm, 1972)  
SY73 = SIPRI Yearbook, 1972-73 (Stockholm,  
1973)  
WSJ = Wall Street Journal

NOTE: Due to last minute cuts for lack of space, several quotes and their corresponding footnotes (numbers 3, 6, 25, 26, 42 and 52) were omitted.

1. The term "American" will be used throughout to refer to "U.S." as opposed to "Latin American".
2. Harlan Cleveland, Gerald J. Mangone, and John Clarke Adams, The Overseas Americans, McGraw-Hill, 1960, p. v.
4. Interview, Mexico City, July 1973.
5. Alonso Aguilar M. and Fernando Carmona, Mexico: Riqueza y Miseria, Mexico 1972, p. 85.
7. Frank Bonilla, The Failure of Elites, MIT Press 1970, p. 303. (Emphasis added.)
8. Interview.
9. "American Society of Mexico, A.C.", a history of the organization published by the American Society, Mexico City.
10. Ibid.
11. Ibid.
12. F. Bonilla, The Failure of Elites, MIT Press 1970, p. 301.
13. Harlan Cleveland, The Overseas Americans, p. 58.
14. Interview.
15. American Society Bulletin, June 1973.
16. American Society Bulletin, March 1973.
17. American Society Bulletin, March 1973.
18. Interview.
19. The News, November 16, 1970.
20. American Society Bulletin, January 1971.
21. Ibid.
22. Ibid.
23. American Society Bulletin, March 1973.
24. Ibid.
27. U.S. News & World Report, February 1, 1971.
28. Cited in: Roselind Beimer, Degree of Interaction Between Mexican and American Students, unpublished thesis.
29. Charles Patterson, The First Handbook of Overseas Schools, The American School Foundation, Mexico City, p. v.
30. Ibid.
31. Interview.
32. Patterson, op. cit., p. XIII.
33. Ibid., p. XII.
34. Ibid., pp. XIV, XV.

35. Interview.
36. The News, December 27, 1970, Editorial page. (Emphasis added.)
37. Interview.
38. Interview.
39. William Domhoff, The Higher Circles, Governing Class in America, Vintage, New York 1970, p. 33.
40. "Momentito", The News, March 10, 1973.
41. Interview.
43. Ibid.
44. Ibid.
45. Ibid.
46. American Chamber of Commerce Annual Report 1973, "Enterprise and the Responsibility of Business", p. 1.
- 46a. The 28 leaders include: Judd A. Austin (Goodrich, Little & Requelme), George Blake (Anderson Clayton), Francis H. Carnes (F. H. Carnes & Assoc.), Jess Dal (Goodrich, Dalton, Little & Requelme), Emerson Dow (Price Waterhouse), Robert J. Easter (Dupont), Rich Ehrlich (retired), Michael Hazzard (Executive Selection), William Schiele (Dupont), Merle Hayes (Beckman Instruments), Robert Jenkins (Motorola), Charles E. Lee (Hooker Mexicana), Richard Lorden (RKL-Intl. Relations), Frank Loretta (Dupont), Harry S. Mazal (Harry Mazal, S.A.), William McCarrick (Kodak), Am Parker (Walter Thompson de Mexico), James Parks (Relative Search, Interamericana de Personal), Dale Ray Perren (Goodyear-Oxo), Floyd D. Ransom (Floyd D. Ransom Group, AB Dick, Sistemas Ransom Safeguard), Edgar Ransom (retired, National Paper & Type Co.), Harry S. (H. Steele y Cia, Industrias Steele), McNeil Stringer (Opinion S.A.), Norvell Surbaugh (deceased, Sears), William Underwood (Anderson Clayton), Harry Wright (Servicios Ejecutivos), Samuel Bolling Wright (retired, La Consolidada Steel).
47. Interview.
48. American Society Bulletin, January 1972, pp. 12-16.
49. Interview.
50. Interview.
51. Interview.
53. Cited in Benicio Schmidt, "Dependency and the Multinational Corporation", in Frank Bonilla & Robert Girling, Structures of Dependency, East Palo Alto, 1973, p. 27.
54. Cited in Hugh O'Shaughnessy, "Mexico Awakens to Danger in The Los Angeles Times", October 8, 1972.
55. Alonso Aguilar M. and Fernando Carmona, Mexico: Riqueza y Miseria, Editorial Nuestro Tiempo, Mexico 1972, p. 67.

For a comic book presentation of the material in this article on the American Colony in Mexico, see "La Ocupación de Mexico" edition of Los Agachados de Rius # 130, September 11, 1973 (Editorial Posada, Jose Ma. Rico 204, Mexico 12, D.F., Mexico.)

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